A bill for an act

relating to state government; conforming buyback level for the budget reserve
with the most recent forecast; eliminating obsolete language; providing policy
and finance for the Office of Higher Education, the Minnesota State Colleges
and Universities, and the University of Minnesota, including programs for
student loans, students with disabilities, fetal tissue research, psychiatric drug
trials, and collegiate recovery; providing funding and policy for early childhood
and family, prekindergarten through grade 12, and adult education, including
general education, education excellence, charter schools, special education, early
childhood education, self-sufficiency, lifelong learning, and state agencies;
appropriating money; requiring reports; amending Minnesota Statutes 2014,
sections 120A.22, subdivision 12; 120A.42; 120B.02, by adding a subdivision;
120B.021, subdivisions 1, 3; 120B.11, subdivisions 1a, 2, 3, 4, 5; 120B.15;
120B.31, by adding subdivisions; 120B.35; 120B.36, as amended; 121A.53;
121A.61, subdivision 1; 121A.64; 122A.07, subdivision 2; 122A.09, subdivision
10, by adding a subdivision; 122A.14, subdivision 9; 122A.16; 122A.18,
subdivisions 7c, 8; 122A.21, subdivision 1, by adding a subdivision; 122A.245,
subdivision 8; 122A.31, subdivision 3; 122A.40, subdivision 10; 122A.41, by
adding a subdivision; 122A.4144; 122A.416; 122A.42; 122A.72, subdivision
5; 123A.24, subdivision 2; 123B.147, subdivision 3; 123B.49, subdivision
4; 123B.571, subdivision 2; 123B.60, subdivision 1; 123B.71, subdivision 8;
123B.79, subdivisions 5, 8, 9; 124D.111, by adding a subdivision; 124D.13,
subdivisions 1, 5, 9; 124D.135, subdivisions 5, 7; 124D.15, subdivisions 1, 3a,
15; 124D.16, subdivisions 3, 5; 124D.165, as amended; 124D.52, subdivisions
1, 2; 124D.55; 124D.59, by adding a subdivision; 124D.861, as amended;
124D.896; 125A.091, subdivision 11; 125A.0942, subdivision 4; 126C.10,
subdivisions 2e, 24; 126C.15, subdivision 3; 126C.17, subdivision 9a; 126C.40,
subdivision 5; 126C.63, subdivision 7; 127A.095; 127A.353, subdivision 4;
127A.41, subdivision 2; 127A.45, subdivision 6a; 127A.51; 129C.10, subdivision
1; 136A.01, by adding a subdivision; 136A.101, subdivision 10; 245.92; 245.94;
245.945; 245.95, subdivision 1; 245.97, subdivision 5; Minnesota Statutes
132015 Supplement, sections 16A.152, subdivision 2; 120B.021, subdivision 4;
120B.125; 120B.30, subdivisions 1, 1a; 120B.301; 120B.31, subdivision 4;
122A.09, subdivision 4; 122A.21, subdivision 2; 122A.30; 122A.40, subdivision
8; 122A.41, subdivision 5; 122A.4144, subdivisions 1, 2, 2b; 122A.415,
subdivision 3; 122A.60, subdivision 4; 123B.53, subdivision 1; 123B.595,
subdivisions 4, 7, 8, 9, 10, 11, by adding a subdivision; 124D.16, subdivision
2; 124D.231, subdivision 2; 124D.73, subdivision 4; 124E.05, subdivisions 4,
5, 7; 124E.10, subdivisions 1, 5; 124E.16, subdivision 2; 125A.08; 125A.083;
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

STATE FINANCES

Section 1. Minnesota Statutes 2015 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. Additional revenues; priority. (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

1. the cash flow account established in subdivision 1 until that account reaches $350,000,000;
2. the budget reserve account established in subdivision 1a until that account reaches $810,992,000, $1,596,522,000;
3. the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve; and
4. the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount.
(5) the closed landfill investment fund established in section 115B.421 until $63,215,000 has been transferred into the account. This clause expires after the entire amount of the transfer has been made; and

(6) the metropolitan landfill contingency action trust account established in section 473.845 until $8,100,000 has been transferred into the account. This clause expires after the entire amount of the transfer has been made.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

ARTICLE 2

OFFICE OF HIGHER EDUCATION

Section 1. Minnesota Statutes 2014, section 136A.01, is amended by adding a subdivision to read:

Subd. 4. Management of programs. (a) The commissioner may retain up to five percent of the amount appropriated to the office for a program or pass-through grant if:

(1) the program or grant is first established on or after January 1, 2016; and

(2) the appropriation does not specify an amount for administrative costs.

(b) The amount retained under paragraph (a) is appropriated to the commissioner and must be used for the costs of administering and monitoring programs and pass-through grants established on or after January 1, 2016.

Sec. 2. [136A.0412] RECEIPT OF DONATIONS; MONEY; GRANTS.

The commissioner may accept donations, grants, bequests, and other funds to carry out the purposes of section 136A.01. A donation, nonfederal grant, bequest, or other fund received by the commissioner is deposited in an account in the special revenue fund. Funds in the account are appropriated to the commissioner for the purpose for which they were granted and are available until expended.
Sec. 3. Minnesota Statutes 2015 Supplement, section 136A.121, subdivision 7a, is amended to read:

Subd. 7a. Surplus appropriation. If the amount appropriated is determined by the office to be more than sufficient to fund projected grant demand in the second year of the biennium, the office may increase the living and miscellaneous expense allowance or the tuition and fee maximums in the second year of the biennium by up to an amount that retains sufficient appropriations to fund the projected grant demand. The adjustment may be made one or more times. In making the determination that there are more than sufficient funds, the office shall balance the need for sufficient resources to meet the projected demand for grants with the goal of fully allocating the appropriation for state grants. An increase in the living and miscellaneous expense allowance under this subdivision does not carry forward into a subsequent biennium.

Sec. 4. Minnesota Statutes 2015 Supplement, section 136A.125, subdivision 2, is amended to read:

Subd. 2. Eligible students. (a) An applicant is eligible for a child care grant if the applicant:

(1) is a resident of the state of Minnesota or the applicant's spouse is a resident of the state of Minnesota;

(2) has a child 12 years of age or younger, or 14 years of age or younger who is disabled as defined in section 125A.02, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;

(3) is income eligible as determined by the office's policies and rules, but is not a recipient of assistance from the Minnesota family investment program;

(4) either has not earned a baccalaureate degree and has been enrolled full time less than eight semesters or the equivalent, or has earned a baccalaureate degree and has been enrolled full time less than eight semesters or the equivalent in a graduate or professional degree program;

(5) is pursuing a nonsectarian program or course of study that applies to an undergraduate, graduate, or professional degree, diploma, or certificate;

(6) is enrolled in at least half-time six credits in an undergraduate program or one credit in a graduate or professional program in an eligible institution; and

(7) is in good academic standing and making satisfactory academic progress.

(b) A student who withdraws from enrollment for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c, or for a major illness, while under the care of a
medical professional, that substantially limits the student's ability to complete the term
is entitled to an additional semester or the equivalent of grant eligibility and will be
considered to be in continuing enrollment status upon return.

Sec. 5. Minnesota Statutes 2015 Supplement, section 136A.125, subdivision 4, is
amended to read:

Subd. 4. **Amount and length of grants.** (a) The amount of a child care grant
must be based on:

(1) the income of the applicant and the applicant's spouse;

(2) the number in the applicant's family, as defined by the office; and

(3) the number of eligible children in the applicant's family.

(b) The maximum award to the applicant shall be $2,800 for each eligible child per
academic year, except that the campus financial aid officer may apply to the office for
approval to increase grants by up to ten percent to compensate for higher market charges
for infant care in a community. The office shall develop policies to determine community
market costs and review institutional requests for compensatory grant increases to ensure
need and equal treatment. The office shall prepare a chart to show the amount of a grant
that will be awarded per child based on the factors in this subdivision. The chart shall
include a range of income and family size.

(c) Applicants with family incomes at or below a percentage of the federal poverty
level, as determined by the commissioner, will qualify for the maximum award. The
commissioner shall attempt to set the percentage at a level estimated to fully expend the
available appropriation for child care grants. Applicants with family incomes exceeding
that threshold will receive the maximum award minus ten percent of their income
exceeding that threshold. If the result is less than zero, the grant is zero.

(d) The academic year award amount must be disbursed by academic term using the
following formula:

(1) the academic year amount described in paragraph (b);

(2) divided by the number of terms in the academic year;

(3) divided by 15 **for undergraduate students and six for graduate and professional**
students; and

(4) multiplied by the number of credits for which the student is enrolled that
academic term, up to 15 credits for undergraduate students and six for graduate and
professional students.
(e) Payments shall be made each academic term to the student or to the child care
provider, as determined by the institution. Institutions may make payments more than
once within the academic term.

Sec. 6. Minnesota Statutes 2015 Supplement, section 136A.1791, subdivision 4,
is amended to read:

Subd. 4. Application for loan forgiveness. Each applicant for loan forgiveness,
according to rules adopted by the commissioner, shall:

(1) apply for teacher shortage loan forgiveness and promptly submit any additional
information required by the commissioner; and

(2) annually reapply for up to five consecutive school years and submit information
the commissioner requires to determine the applicant's continued eligibility for loan
forgiveness, and

(3) submit to the commissioner a completed affidavit, prescribed by the
commissioner, affirming the teacher is teaching in: (i) a licensure field and in identified by
the commissioner as experiencing a teacher shortage; or (ii) an economic development
region identified by the commissioner as experiencing a teacher shortage.

Sec. 7. Minnesota Statutes 2015 Supplement, section 136A.1791, subdivision 5,
is amended to read:

Subd. 5. Amount of loan forgiveness. (a) To the extent funding is available, the
annual amount of teacher shortage loan forgiveness for an approved applicant shall not
exceed $1,000 or the cumulative balance of the applicant's qualified educational loans,
including principal and interest, whichever amount is less.

(b) Recipients must secure their own qualified educational loans. Teachers who
graduate from an approved teacher preparation program or teachers who add a licensure
field, consistent with the teacher shortage requirements of this section, are eligible to
apply for the loan forgiveness program.

(c) No teacher shall receive more than five annual awards.

Sec. 8. Minnesota Statutes 2015 Supplement, section 136A.1791, subdivision 6,
is amended to read:

Subd. 6. Disbursement. (a) The commissioner must make annual disbursements
directly to the participant of the amount for which a participant is eligible, for each year
that a participant is eligible.
(b) Within 60 days of receipt of a disbursement date, the participant must provide the commissioner with verification that the full amount of loan repayment disbursement has been applied toward the designated loans. A participant that previously received funds under this section but has not provided the commissioner with such verification is not eligible to receive additional funds.

Sec. 9. [136A.1792] PROMOTION OF FEDERAL LOAN FORGIVENESS

PROGRAMS.

Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

(b) "Federal loan forgiveness program" means a loan forgiveness program offered under Code of Federal Regulations, title 34, part 685.

(c) "Public service loan forgiveness program" means the loan forgiveness program offered under Code of Federal Regulations, title 34, part 685, section 219.


Subd. 2. Promotion of federal loan forgiveness programs. (a) The commissioner must develop and distribute informational materials designed to increase awareness of federal loan forgiveness programs among Minnesota residents who are eligible for such programs. At a minimum, the commissioner must develop and distribute informational materials that public service organizations may use to promote awareness of the federal public service loan forgiveness program, including:

(1) a one-page letter addressed to individuals who may be eligible for the public service loan forgiveness program that briefly summarizes the program, provides information on what an eligible individual must do in order to participate, and recommends that they contact their student loan servicer or servicers for additional information;

(2) a detailed fact sheet describing the public service loan forgiveness program; and

(3) a document containing answers to frequently asked questions about the public service loan forgiveness program.

(b) In place of developing and publishing an informational document required under paragraph (a), the commissioner may distribute a document published by a federal agency that meets the requirements of paragraph (a).

Subd. 3. Publication of informational materials. The commissioner must make the informational materials required under subdivision 2 available on the office's Web site and must verify each biennium that the informational materials contain current
8.1 information. The commissioner must update and correct any informational materials that
the commissioner finds to be inaccurate or outdated.

8.3 Sec. 10. Minnesota Statutes 2015 Supplement, section 136A.87, is amended to read:

8.4 136A.87 PLANNING INFORMATION FOR POSTSECONDARY

8.5 EDUCATION.

8.6 (a) The office shall make available to all residents beginning in 7th grade through
8.7 adulthood information about planning and preparing for postsecondary opportunities.
8.8 Information must be provided to all 7th grade students and their parents annually
8.9 by September 30 about planning for their postsecondary education. The office may
8.10 also provide information to high school students and their parents, to adults, and to
8.11 out-of-school youth.

8.12 (b) The office shall gather and share information with students and parents about
8.13 the dual credit acceptance policies of each Minnesota public and private college and
8.14 university. The office shall gather and share information related to the acceptance policies
8.15 for concurrent enrollment courses, postsecondary enrollment options courses, advanced
8.16 placement courses, and international baccalaureate courses. This information must be
8.17 shared on the office's Web site and included in the information under paragraph (a).

8.18 (c) The information provided under paragraph (a) may include the following:

8.19 (1) the need to start planning early;
8.20 (2) the availability of assistance in educational planning from educational institutions
8.21 and other organizations;
8.22 (3) suggestions for studying effectively during high school;
8.23 (4) high school courses necessary to be adequately prepared for postsecondary
8.24 education;
8.25 (5) encouragement to involve parents actively in planning for all phases of education;
8.26 (6) information about postsecondary education and training opportunities existing
8.27 in the state, their respective missions and expectations for students, their preparation
8.28 requirements, admission requirements, and student placement;
8.29 (7) ways to evaluate and select postsecondary institutions;
8.30 (8) the process of transferring credits among Minnesota postsecondary institutions
8.31 and systems;
8.32 (9) the costs of postsecondary education and the availability of financial assistance
8.33 in meeting these costs, including specific information about the Minnesota Promise;
8.34 (10) the interrelationship of assistance from student financial aid, public assistance,
8.35 and job training programs; and
financial planning for postsecondary education.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later.

Sec. 11. [181.987] DISCLOSURE OF ELIGIBILITY FOR STUDENT LOAN FORGIVENESS.

Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have the meanings given.
(b) "Employer" means an organization, agency, or entity that is a public service organization under Code of Federal Regulations, title 34, part 685, section 219, provided that the following are not employers:
(1) a federal or tribal government organization, agency, or entity; and
(2) a tribal college or university.
(c) "Employment certification form" means the form used by the United States Department of Education to certify an individual's employment at a public service organization for the purposes of the federal public service loan forgiveness program.
(d) "Federal public service loan forgiveness program" means the program offered under Code of Federal Regulations, title 34, part 685, section 219.

Subd. 2. Disclosure of eligibility for student loan forgiveness. (a) An employer must provide an employee with information about the employee's potential eligibility for the federal public service loan forgiveness program. An employer must annually provide to each employee in written or electronic form the one-page letter, fact sheet, and frequently asked questions required under section 136A.1792, subdivision 2. An employer must provide a newly hired employee with that information within two weeks of the employee's first day of employment.
(b) At an employee's request, an employer must provide the employee with a copy of the employment certification form.

EFFECTIVE DATE. This section is effective January 1, 2017. An employer must provide information to current employees, as required by subdivision 2, by January 15, 2017.

Sec. 12. Laws 2015, chapter 69, article 1, section 3, subdivision 19, is amended to read:

Subd. 19. College Possible 250,000 250,000

(a) This appropriation is for immediate transfer to College Possible to support
programs of college admission and college graduation for low-income students through an intensive curriculum of coaching and support at both the high school and postsecondary level.

(b) This appropriation must, to the extent possible, be proportionately allocated between students from greater Minnesota and students in the seven-county metropolitan area.

(c) This appropriation must be used by College Possible only for programs supporting students who are residents of Minnesota and attending colleges or universities within Minnesota.

(d) By February 1 of each year, College Possible must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over higher education and E-12 education on activities funded by this appropriation. The report must include, but is not limited to, information about the expansion of College Possible in Minnesota, the number of College Possible coaches hired, the expansion within existing partner high schools, the expansion of high school partnerships, the number of high school and college students served, the total hours of community service by high school and college students, and a list of communities and organizations benefitting from student service hours.

(e) To the extent possible, College Possible must use the funds appropriated under this subdivision to:
(1) hire coaches with similar racial, ethnic, and socioeconomic characteristics as the school in which the coaches will work; and

(2) provide extensive racial equity and cultural competency training to College Possible coaches and staff.

Sec. 13. Laws 2015, chapter 69, article 3, section 20, subdivision 15, is amended to read:

Subd. 15. Reporting. (a) A college must report to the commissioner the following information:

(1) the number of grantees and their race, gender, and ethnicity;
(2) grantee persistence and completion;
(3) employment outcomes; and
(4) other information requested by the commissioner.

(b) The commissioner shall report annually by January 15, 2017, and January 15, 2018, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance by college and in aggregate on the information submitted to the commissioner under paragraph (a). The commissioner may include in the report recommendations for changes in the grant program.

Sec. 14. Laws 2015, chapter 69, article 3, section 24, subdivision 1, is amended to read:

Subdivision 1. Pilot program created. The commissioner of the Office of Higher Education shall make a grant to a nonprofit qualified debt counseling organization to provide individual student loan debt repayment counseling to borrowers who are Minnesota residents concerning loans obtained to attend a Minnesota postsecondary institution. The counseling shall be provided to borrowers who are 30 to 60 days delinquent when they are referred to or otherwise identified by the organization as candidates for counseling. The number of individuals receiving counseling may be limited to those capable of being served with available appropriations for that purpose. A goal of the counseling program is to provide two counseling sessions to at least 75 percent of borrowers receiving counseling.

The purpose of the counseling is to assist borrowers to:

(1) understand their loan and repayment options;
(2) manage loan repayment; and
(3) develop a workable budget based on the borrower's full financial situation regarding income, expenses, and other debt.
12.1 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2015.

12.2 Sec. 15. **MNSCU TWO-YEAR COLLEGE PROGRAM; ADMINISTRATIVE COSTS.**

The appropriation made by Laws 2015, chapter 69, article 1, section 3, subdivision 18, paragraph (c), for fiscal year 2017 for information technology and administrative costs is available on the effective date of this section and until June 30, 2017.

12.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

12.4 Sec. 16. **EQUITY IN POSTSECONDARY ATTAINMENT.**

Subdivision 1. **Programs required.** The commissioner of the Office of Higher Education, the Board of Regents of the University of Minnesota, and the Board of Trustees of the Minnesota State Colleges and Universities must develop and implement programs, utilizing research-based best practices, to support equity in postsecondary student retention and completion.

Subd. 2. **Documentation of program development required.** At a minimum, the following information must be documented in developing a program under this section:

1. a description of the characteristics of the students to be served and documentation of the campus need for services;
2. a description of the services to be provided and a timeline for implementation of the services;
3. the research-based best practices proven effective in closing attainment gaps for the students identified under clause (1) to be implemented;
4. a description of how the services will advance postsecondary retention and postsecondary completion and be aligned with preparing postsecondary students for state workforce needs;
5. a description of how the services will be evaluated to determine whether the program objectives and goals are met; and
6. a plan for sustaining the program, including a three-year proposed budget for all program services and activities.

Subd. 3. **Outcomes report to legislature.** (a) No later than January 1 of each year, the commissioner of higher education, the Board of Regents of the University of Minnesota, and the Board of Trustees of the Minnesota State Colleges and Universities must each submit a report to the legislative committees with jurisdiction over higher education policy and finance regarding the programs developed and implemented as provided by this section.
(b) The report must include, but is not limited to, the following information for each program:

1. the documentation required by subdivision 2;
2. for programs that have been implemented, information on:
   a. demographic characteristics of students served;
   b. course taking and grade point averages of participating students;
   c. persistence and retention rates of participating students; and
   d. graduation rates of participating students;
3. identification of any institutions and organizations providing program services;
4. program revenue sources and total program funding levels.

To the extent possible, the information required by clause (2) must break down outcomes by race and ethnicity.

ARTICLE 3

MNSCU PILOT PROGRAM; STUDENTS WITH DISABILITIES

Section 1. Minnesota Statutes 2014, section 136A.101, subdivision 10, is amended to read:

Subd. 10. Satisfactory academic progress. "Satisfactory academic progress" means satisfactory academic progress as defined under Code of Federal Regulations, title 34, sections 668.16(e), 668.32(f), and 668.34, except that a student with an intellectual disability as defined in Code of Federal Regulations, title 34, section 668.231, enrolled in an approved comprehensive transition and postsecondary program under that section is subject to the institution's published satisfactory academic process standards for that program as approved by the Office of Higher Education.

Sec. 2. MNSCU PROGRAM FOR STUDENTS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES; PLAN REQUIRED.

Subdivision 1. Development of plan required. The Board of Trustees of the Minnesota State Colleges and Universities must develop a plan for offering an academic program for students with intellectual and developmental disabilities, consistent with the principles established in subdivisions 2 to 4.

Subd. 2. Program locations. The plan developed must assume the program will be offered at up to four college or university campuses chosen based on (1) their ability to
offer a robust program using existing facilities and resources and (2) a goal to provide the
program in diverse geographic regions of the state.

Subd. 3. Enrollment and admission. The plan developed must assume an
enrollment goal for each campus's program of at least ten incoming students per academic
year. The plan may allow for students to be admitted based on an application process
that includes an in-person interview; an independent assessment of an applicant's
interest, motivation, and likelihood of success in the program; and any other eligibility
requirements established by the board. Upon successful completion, a student must be
awarded a certificate, diploma, or other appropriate academic credential.

Subd. 4. Curriculum and activities. (a) The plan developed must assume a
program that provides an inclusive, two-year full-time residential college experience
for students with intellectual and developmental disabilities. The required curriculum
must include core courses that develop life skills, financial literacy, and the ability to
live independently; rigorous academic work in a student's chosen field of study; and an
internship, apprenticeship, or other skills-based experience to prepare for meaningful
employment upon completion of the program.

(b) In addition to academic requirements, the plan developed must allow
participating students the opportunity to engage fully in campus life. Program activities
must include but are not limited to (1) the establishment of on-campus mentoring and
peer support communities and (2) opportunities for personal growth through leadership
development and other community engagement activities.

(c) A participating campus may tailor its program curriculum and activities to
highlight academic programs, student and community life experiences, and employment
opportunities unique to that campus or the region of the state where the campus is located.

Subd. 5. Report to legislature. The board must submit a report on the plan required
to be developed by this section to the chairs and ranking minority members of the
committees of the legislature with jurisdiction over higher education finance and policy and
human services finance and policy no later than January 15, 2017. The report must describe
program plans, including strategies for recruitment of applicants, and strategies to address
anticipated program needs that cannot be filled using existing campus or system resources.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 4
FETAL TISSUE RESEARCH

Section 1. [137.45] FETAL TISSUE RESEARCH PRACTICES.
Subdivision 1. Institutional review board; approval of research. An individual conducting research at the University of Minnesota must obtain approval from the university's institutional review board or stem cell oversight committee before conducting research using fetal tissue. The institutional review board or oversight committee must, in its approval process, consider whether nonhuman tissue would be sufficient for the study.

Subd. 2. Identification of fetal tissue available due to natural death. The dean of the university's medical school shall attempt to identify sources for procurement of fetal tissues that are available due to the natural death of the fetus and are suitable for use in academic research. The dean shall consider engaging an outside consultant to attempt to identify such sources. When appropriate sources are identified, the dean must make recommendations to the Board of Regents for updates to university policies and procedures to encourage use of these sources in all university research activities where fetal tissue is requested to be used. Sources that are identified shall be submitted to the Association of American Medical Colleges.

Subd. 3. Legislative report. (a) No later than January 15, 2017, the Board of Regents must submit a report to the legislature. The report must be submitted to the chairs and ranking minority members of the committees of the legislature with jurisdiction over higher education policy and finance and health and human services policy and finance and must describe:

1. all suitable sources for procurement of fetal tissue that are identified under subdivision 2;
2. any recommended updates to university policies and procedures after identification of suitable sources under subdivision 2, and if so, whether those recommended updates were adopted by the Board of Regents; and
3. a list of:
   i. all approvals made in the previous year by an institutional review board or stem cell oversight committee for the use of fetal tissue; and
   ii. all research continuing on fetal tissue from research that began in a previous year.
(b) The list provided under paragraph (a), clause (3), must identify, for each research activity, the source of funding for the research; the goal or purpose of the research; the source of the fetal tissue used in the research; references to any publicly available information about the research, including but not limited to grant award information from the National Institutes of Health; and references to any publications resulting from the research.

Subd. 4. Definition. As used in this section and section 137.46, "fetal tissue" means any part of an unborn child or fetus, including a body part, cell, tissue, or organ.
16.1 EFFECTIVE DATE. This section is effective the day following final enactment.

16.2 Sec. 2. [137.46] INSTITUTIONAL REVIEW BOARD OVERSIGHT

ACTIVITIES.

The Board of Regents shall:

(1) further develop and clarify existing university policies and procedures related to the lawful and ethical treatment of human subjects and fetal tissue in research activities, including enhancement of applicable penalties for violation of these policies and procedures;

(2) institute a system of frequent, random, unannounced inspections and audits of research activities involving fetal tissue to verify compliance with applicable federal and state laws, university policies and procedures, and other professional standards related to purchasing, handling, and disposing of fetal tissue;

(3) conduct education and outreach programs, including instituting a required comprehensive training program, on applicable federal and state laws, university policies and procedures, and other professional standards related to the respectful, humane, and ethical treatment of human subjects and fetal tissue in research, for all students and employees engaged in these activities; and

(4) establish an anonymous reporting system to receive complaints of activities that may violate applicable federal and state laws, university policies and procedures, and other professional standards in research involving human subjects and fetal tissue by the university, university students or employees, or any other person engaged in research activities in university facilities.

16.23 Sec. 3. UNIVERSITY OF MINNESOTA FETAL TISSUE RESEARCH;

LEGISLATIVE AUDITOR REVIEW.

(a) The legislative auditor is requested to complete a comprehensive review of the use of fetal tissue in research activities at the University of Minnesota. The review must include:

(1) the total number of research activities in which fetal tissue is currently or has been previously used, including those that are in progress and those that have been completed;

(2) the cost of acquiring fetal tissues for use in research activities, itemized by the source of funds used for procurement, including funds from federal, state, and other public sources, and funds derived from student tuition and fees;
(3) the extent to which the conduct of the research activities complies with applicable federal and state laws related to acquisition, sale, handling, and disposition of human tissues, including fetal tissues;

(4) the extent to which the conduct of the research activities complies with applicable Board of Regents policies and procedures related to acquisition, sale, handling, and disposition of human tissues, including fetal tissues; and

(5) whether applicable Board of Regents policies include provisions to ensure fetal tissue is used in research activities only when necessary, and to ensure that the research activities are conducted in an ethical manner, including whether procedures and protocols for oversight have been implemented to verify compliance with these policies.

(b) As used in this section, "research activities" include any academic fetal tissue research or fetal tissue transplantation research activity or program conducted in a University of Minnesota facility, or that is supported, directly or indirectly, by University of Minnesota funds.

EFFECTIVE DATE. This section is effective the day following final enactment.

The legislative auditor is requested to complete the review no later than 60 days following final enactment.

ARTICLE 5

MONITORING OF PSYCHIATRIC DRUG TRIALS

Section 1. Minnesota Statutes 2014, section 245.92, is amended to read:

245.92 OFFICE OF OMBUDSMAN; CREATION; QUALIFICATIONS;
FUNCTION.

The ombudsman for persons receiving services or treatment for mental illness, developmental disabilities, chemical dependency, or emotional disturbance shall promote the highest attainable standards of treatment, competence, efficiency, and justice. The ombudsman may gather information and data about decisions, acts, and other matters of an agency, facility, or program, and shall monitor the treatment of individuals participating in a University of Minnesota Department of Psychiatry clinical drug trial. The ombudsman is appointed by the governor, serves in the unclassified service, and may be removed only for just cause. The ombudsman must be selected without regard to political affiliation and must be a person who has knowledge and experience concerning the treatment, needs, and rights of clients, and who is highly competent and qualified. No person may serve as ombudsman while holding another public office.
18.1 Sec. 2. Minnesota Statutes 2014, section 245.94, is amended to read:

18.2 245.94 POWERS OF OMBUDSMAN; REVIEWS AND EVALUATIONS;

18.3 RECOMMENDATIONS.

18.4 Subdivision 1. Powers. (a) The ombudsman may prescribe the methods by which
18.5 complaints to the office are to be made, reviewed, and acted upon. The ombudsman may
18.6 not levy a complaint fee.
18.7 (b) The ombudsman may mediate or advocate on behalf of a client.
18.8 (c) The ombudsman may investigate the quality of services provided to clients and
18.9 determine the extent to which quality assurance mechanisms within state and county
18.10 government work to promote the health, safety, and welfare of clients, other than clients
18.11 in acute care facilities who are receiving services not paid for by public funds. The
18.12 ombudsman is a health oversight agency as defined in Code of Federal Regulations,
18.14 (d) At the request of a client, or upon receiving a complaint or other information
18.15 affording reasonable grounds to believe that the rights of a client who is not capable
18.16 of requesting assistance have been adversely affected, the ombudsman may gather
18.17 information and data about and analyze, on behalf of the client, the actions of an agency,
18.18 facility, or program.
18.19 (e) The ombudsman may gather, on behalf of a client, records of an agency, facility,
18.20 or program, or records related to clinical drug trials from the University of Minnesota
18.21 Department of Psychiatry, if the records relate to a matter that is within the scope of the
18.22 ombudsman's authority. If the records are private and the client is capable of providing
18.23 consent, the ombudsman shall first obtain the client's consent. The ombudsman is
18.24 not required to obtain consent for access to private data on clients with developmental
18.25 disabilities. The ombudsman is not required to obtain consent for access to private data
18.26 on decedents who were receiving services for mental illness, developmental disabilities,
18.27 or emotional disturbance. All data collected, created, received, or maintained by the
18.28 ombudsman are governed by chapter 13 and other applicable law.
18.29 (f) Notwithstanding any law to the contrary, the ombudsman may subpoena a person
18.30 to appear, give testimony, or produce documents or other evidence that the ombudsman
18.31 considers relevant to a matter under inquiry. The ombudsman may petition the appropriate
18.32 court in Ramsey County to enforce the subpoena. A witness who is at a hearing or is part
18.33 of an investigation possesses the same privileges that a witness possesses in the courts or
18.34 under the law of this state. Data obtained from a person under this paragraph are private
18.35 data as defined in section 13.02, subdivision 12.

Article 5 Sec. 2. 18
(g) The ombudsman may, at reasonable times in the course of conducting a review, enter and view premises within the control of an agency, facility, or program.

(h) The ombudsman may attend Department of Human Services Review Board and Special Review Board proceedings; proceedings regarding the transfer of patients or residents, as defined in section 246.50, subdivisions 4 and 4a, between institutions operated by the Department of Human Services; and, subject to the consent of the affected client, other proceedings affecting the rights of clients. The ombudsman is not required to obtain consent to attend meetings or proceedings and have access to private data on clients with developmental disabilities.

(i) The ombudsman shall gather data of agencies, facilities, or programs classified as private or confidential as defined in section 13.02, subdivisions 3 and 12, regarding services provided to clients with developmental disabilities.

(j) To avoid duplication and preserve evidence, the ombudsman shall inform relevant licensing or regulatory officials before undertaking a review of an action of the facility or program.

(k) The ombudsman shall monitor the treatment of individuals participating in a University of Minnesota Department of Psychiatry clinical drug trial and ensure that all protections for human subjects required by federal law and the Institutional Review Board are provided.

(l) Sections 245.91 to 245.97 are in addition to other provisions of law under which any other remedy or right is provided.

Subd. 2. Matters appropriate for review. (a) In selecting matters for review by the office, the ombudsman shall give particular attention to unusual deaths or injuries of a client or reports of emergency use of manual restraint as identified in section 245D.061, served by an agency, facility, or program, or actions of an agency, facility, or program that:

(1) may be contrary to law or rule;

(2) may be unreasonable, unfair, oppressive, or inconsistent with a policy or order of an agency, facility, or program;

(3) may be mistaken in law or arbitrary in the ascertainment of facts;

(4) may be unclear or inadequately explained, when reasons should have been revealed;

(5) may result in abuse or neglect of a person receiving treatment;

(6) may disregard the rights of a client or other individual served by an agency or facility;

(7) may impede or promote independence, community integration, and productivity for clients; or
(8) may impede or improve the monitoring or evaluation of services provided to
clients.

(b) The ombudsman shall, in selecting matters for review and in the course of the
review, avoid duplicating other investigations or regulatory efforts.

(c) The ombudsman shall give particular attention to the death or unusual injury of
any individual who is participating in a University of Minnesota Department of Psychiatry
clinical drug trial.

Subd. 2a. **Mandatory reporting.** Within 24 hours after a client suffers death or
serious injury, the agency, facility, or program director, or lead investigator of a clinical
drug trial at the University of Minnesota Department of Psychiatry shall notify the
ombudsman of the death or serious injury. The emergency use of manual restraint must
be reported to the ombudsman as required under section 245D.061, subdivision 8. The
ombudsman is authorized to receive identifying information about a deceased client
according to Code of Federal Regulations, title 42, section 2.15, paragraph (b).

Subd. 3. **Complaints.** (a) The ombudsman may receive a complaint from any
source concerning an action of an agency, facility, or program. After completing a review,
the ombudsman shall inform the complainant and the agency, facility, or program.
No client may be punished nor may the general condition of the client's treatment be
unfavorably altered as a result of an investigation, a complaint by the client, or by another
person on the client's behalf. An agency, facility, or program shall not retaliate or take
adverse action against a client or other person, who in good faith makes a complaint or
assists in an investigation. The ombudsman may classify as confidential, the identity of a
complainant, upon request of the complainant.

(b) The ombudsman shall receive a complaint from any source concerning an
action or inaction of the University of Minnesota Department of Psychiatry related
to an individual who is enrolled in a department-approved clinical drug trial. No
individual participating in the trial may be punished, nor may the general condition of
the individual's treatment be unfavorably altered, as a result of an investigation or a
complaint by the individual or the individual's advocate. The university shall not retaliate
or take adverse action against any person who in good faith makes a complaint or assists
in an investigation. The ombudsman may classify the identity of the complainant as
confidential, upon request of the complainant.

Subd. 4. **Recommendations to agency.** (a) If, after reviewing a complaint or
conducting an investigation and considering the response of an agency, facility, or
program and any other pertinent material, the ombudsman determines that the complaint
has merit or the investigation reveals a problem, the ombudsman may recommend that
the agency, facility, or program:

(1) consider the matter further;
(2) modify or cancel its actions;
(3) alter a rule, order, or internal policy;
(4) explain more fully the action in question; or
(5) take other action.

(b) At the ombudsman's request, the agency, facility, or program shall, within a
reasonable time, inform the ombudsman about the action taken on the recommendation
or the reasons for not complying with it.

Subd. 5. Recommendations to University of Minnesota. If, after reviewing a
complaint or conducting an investigation and considering the response of the clinical drug
trial's primary investigator or the Department of Psychiatry, the ombudsman determines
that the complaint has merit or the investigation reveals noncompliance with the federal
protection of human subjects requirements or the requirements of the Institutional Review
Board, the ombudsman shall recommend that the Board of Regents of the University of
Minnesota take corrective action to remedy the violations.

Sec. 3. Minnesota Statutes 2014, section 245.945, is amended to read:

245.945 REIMBURSEMENT TO OMBUDSMAN FOR MENTAL HEALTH
AND DEVELOPMENTAL DISABILITIES.

(a) The commissioner shall obtain federal financial participation for eligible activity
by the ombudsman for mental health and developmental disabilities. The ombudsman
shall maintain and transmit to the Department of Human Services documentation that is
necessary in order to obtain federal funds.

(b) The Board of Regents of the University of Minnesota shall reimburse the Office
of the Ombudsman for Mental Health and Developmental Disabilities for the oversight
costs incurred in monitoring participants in Department of Psychiatry clinical drug trials.
The ombudsman shall maintain and transmit documentation of costs incurred to the Board
of Regents of the University of Minnesota.

Sec. 4. Minnesota Statutes 2014, section 245.95, subdivision 1, is amended to read:

Subdivision 1. Specific reports. The ombudsman may send conclusions and
suggestions concerning any matter reviewed to the governor. Before making public a
conclusion or recommendation that expressly or implicitly criticizes an agency, facility,
program, or any person, the ombudsman shall consult with the governor and the agency,
facility, program, or person concerning the conclusion or recommendation. When sending
a conclusion or recommendation to the governor that is adverse to an agency, facility,
program, or any person, the ombudsman shall include any statement of reasonable length
made by that agency, facility, program, or person in defense or mitigation of the office's
conclusion or recommendation. For purposes of this subdivision, "agency, facility,
program, or any person" includes the University of Minnesota Department of Psychiatry
and its employees working in clinical drug trials.

Sec. 5. Minnesota Statutes 2014, section 245.97, subdivision 5, is amended to read:

Subd. 5. Medical Review Subcommittee. At least five members of the committee,
including at least three physicians, one of whom is a psychiatrist, must be designated by
the governor to serve as a Medical Review Subcommittee. Terms of service, vacancies,
and compensation are governed by subdivision 2. The governor shall designate one of
the members to serve as chair of the subcommittee. The Medical Review Subcommittee
may have access to private and confidential data collected or created by the ombudsman
that are necessary to fulfill the duties of the Medical Review Subcommittee under this
section and may:

(1) make a preliminary determination of whether the death of a client that has been
brought to its attention is unusual or reasonably appears to have resulted from causes other
than natural causes and warrants investigation;

(2) review the causes of and circumstances surrounding the death;

(3) request the county coroner or medical examiner to conduct an autopsy;

(4) assist an agency in its investigations of unusual deaths and deaths from causes
other than natural causes; and

(5) make a preliminary determination of whether the death of a participant in a
clinical drug trial conducted by the University of Minnesota Department of Psychiatry
appears to have resulted from causes other than natural causes and warrants investigation
and reporting as required by federal laws on the protection of human subjects; and

(6) submit a report regarding the death of a client to the committee, the ombudsman,
the client's next-of-kin, and the facility where the death occurred and, where appropriate,
make recommendations to prevent recurrence of similar deaths to the head of each affected
agency or facility, or the Board of Regents of the University of Minnesota.
ARTICLE 6

COLLEGIATE RECOVERY PROGRAM

Section 1. [137.175] ROCHESTER CAMPUS: COLLEGIATE RECOVERY PROGRAM.

(a) The Board of Regents is requested to establish a collegiate recovery program on its Rochester campus. The purpose of the program must be to provide structured support for students in recovery from alcohol or chemical addiction or other addictive behaviors. Program activities may include, but are not limited to, specialized professional support through academic, career, and financial advising; establishment of on-campus or residential peer support communities; and opportunities for personal growth through leadership development and other community engagement activities.

(b) No later than January 1, 2020, the Board of Regents must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance and policy on campus recovery program outcomes, if the program is established. Based on available data, the report must describe, in summary form, the number of students participating in the program and the success rate of participants, including retention and graduation rates and long-term recovery and relapse rates.

Sec. 2. Laws 2015, chapter 69, article 1, section 5, subdivision 2, is amended to read:

Subd. 2. Operations and Maintenance 559,111,000 559,111,000

This appropriation includes funding for operation and maintenance of the system. Of the amount appropriated in this subdivision:

$11,100,000 in fiscal year 2016 and
$11,100,000 in fiscal year 2017 are to minimize any increase in a student's cost of attendance; for research to solve the challenges facing our state, nation, and world; to educate a diverse population of Minnesotans from every community who show the greatest promise; and for public service that builds lasting partnerships with communities across the state to address our
most complex and pressing issues. The Board of Regents is requested to:

(1) maintain a low cost of mission and advance operational excellence;
(2) increase the diversity of the university's students, faculty, and staff; and
(3) strengthen the university's relationships with the agriculture industry and the communities of greater Minnesota.

$15,000,000 in fiscal year 2016 and $15,000,000 in fiscal year 2017 are to:

(1) increase the medical school's research capacity;
(2) improve the medical school's ranking in National Institutes of Health funding;
(3) ensure the medical school's national prominence by attracting and retaining world-class faculty, staff, and students;
(4) invest in physician training programs in rural and underserved communities; and
(5) translate the medical school's research discoveries into new treatments and cures to improve the health of Minnesotans.

The Board of Regents is requested to consider hiring additional faculty to conduct research related to regenerative medicine.

$257,200 in fiscal year 2017 is for design and implementation of a collegiate recovery program on the University of Minnesota, Rochester campus consistent with Minnesota Statutes, section 137.175. This is a onetime appropriation and is available until June 30, 2019. Beginning in fiscal year 2020,
$179,000 is added to the base to support operation and growth of the program.

Five percent of the fiscal year 2017 appropriation specified in this subdivision is available according to the schedule in clauses (1) to (5) in fiscal year 2017 when the Board of Regents of the University of Minnesota demonstrates to the commissioner of management and budget that the board has met the following specified number of performance goals:

1. 100 percent if the board meets three, four, or five goals;
2. 67 percent if two of the goals are met;
3. 33 percent if one of the goals are met; and
4. zero percent if none of the goals are met.

The performance goals are:

1. increase by at least one percent the four-year, five-year, or six-year undergraduate graduation rates, averaged over three years, for students of color systemwide at the University of Minnesota reported in fall 2016 over fall 2014. The average rate for fall 2014 is calculated with the graduation rates reported in fall 2012, 2013, and 2014;
2. increase by at least two percent the total number of undergraduate STEM degrees, averaged over three years, conferred systemwide by the University of Minnesota reported in fiscal year 2016 over fiscal year 2014. The averaged number for fiscal year 2014 is calculated with the fiscal year 2012, 2013, and 2014 numbers;
(3) increase by at least one percent the
four-year undergraduate graduation rate at
the University of Minnesota reported in fall
2016 over fall 2014. The average rate for
fall 2014 is calculated with the graduation
rates reported in fall 2012, 2013, and 2014.
The averaged number for fiscal year 2014 is
calculated with the fiscal year 2012, 2013,
and 2014 numbers;

(4) for fiscal year 2016, reallocate
$15,000,000 of administrative costs. The
Board of Regents is requested to redirect
those funds to invest in direct mission
activities, stem growth in cost of attendance,
and to programs that benefit students; and

(5) increase licensing disclosures by three
percent for fiscal year 2016 over fiscal year
2015.

By August 1, 2015, the Board of Regents and
the Office of Higher Education must agree on
specific numerical indicators and definitions
for each of the five goals that will be used to
demonstrate the University of Minnesota's
attainment of each goal. On or before April
1, 2016, the Board of Regents must report
to the legislative committees with primary
jurisdiction over higher education finance
and policy the progress of the University of
Minnesota toward attaining the goals. The
appropriation base for the next biennium shall
include appropriations not made available
under this subdivision for failure to meet
performance goals. All of the appropriation
that is not available due to failure to meet
performance goals is appropriated to the
commissioner of the Office of Higher Education for fiscal year 2017 for the purpose of the state grant program under Minnesota Statutes, section 136A.121.

Performance metrics are intended to facilitate progress towards the attainment goal under Minnesota Statutes, section 135A.012.

Beginning in fiscal year 2018, the operations and maintenance base appropriation is $559,111,000.

**ARTICLE 7**

**GENERAL EDUCATION**

Section 1. Minnesota Statutes 2014, section 123A.24, subdivision 2, is amended to read:

Subd. 2. **Cooperative unit defined.** For the purposes of this section, a cooperative unit is:

1. an education district organized under sections 123A.15 to 123A.19;
2. a cooperative vocational center organized under section 123A.22;
3. an intermediate district organized under chapter 136D;
4. a service cooperative organized under section 123A.21; or
5. a regional management information center organized under section 123A.23 or as a joint powers district according to section 471.59; or
6. a special education cooperative organized under section 471.59.

Sec. 2. Minnesota Statutes 2014, section 124D.111, is amended by adding a subdivision to read:

Subd. 2a. **Federal child and adult care food program; financial viability.** (a) A nonprofit organization with fewer than three years of experience and performance data that is applying for approval as a multisite sponsoring organization under the federal child and adult care food program may demonstrate its financial viability by submitting to the commissioner a written statement from a certified public accountant indicating, based on generally accepted accounting principles, that the nonprofit organization has the financial resources needed to sponsor the program on a daily basis and to withstand temporary interruptions in program payments. The statement from a certified public accountant satisfies the requirement for a nonprofit organization to demonstrate its financial viability.
under the federal child and adult care food program in Minnesota. Consistent with
this paragraph, the commissioner must post on the department's Web site criteria for
interested nonprofit organizations, those with fewer than three years of experience and
performance data, and those with three or more years of experience and performance data,
to demonstrate financial viability for the Minnesota program.

(b) The commissioner must use an expedited process to reconsider any application
by a nonprofit organization under paragraph (a) applying for approval as a multisite
sponsoring organization under the federal child and adult care food program submitted to
the commissioner after July 1, 2015, if the commissioner denied the application, in whole
or in part, based upon the applicant's inability to demonstrate financial viability.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2015 Supplement, section 126C.10, subdivision 1, is
amended to read:

Subdivision 1. General education revenue. (a) Notwithstanding any law to the
contrary, a school board in any school year may adopt a resolution declaring an urgent
educational need for that school year and resolve to reallocate the district's general
education revenue under this section to provide more effective education programs and
services designed to improve the educational outcomes of all students enrolled in the
district. A board action under this paragraph must not increase state aid obligations to
the district, result in additional property tax authority for the district, or interfere with
federally mandated laws or state or federal court orders.

(b) The general education revenue for each district equals the sum of the district's
basic revenue, extended time revenue, gifted and talented revenue, declining enrollment
revenue, local optional revenue, small schools revenue, basic skills revenue, secondary
sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total
operating capital revenue, equity revenue, pension adjustment revenue, and transition
revenue.

**EFFECTIVE DATE.** This section is effective July 1, 2016.

Sec. 4. Minnesota Statutes 2014, section 126C.10, subdivision 2e, is amended to read:

Subd. 2e. Local optional revenue. (a) Local optional revenue for a school district
with a board-approved plan equals $424 times the adjusted pupil units of the district
for that school year.
(b) A district's local optional levy equals its local optional revenue times the lesser of one or the ratio of its referendum market value per resident pupil unit to $510,000.

The local optional revenue levy must be spread on referendum market value. A district may levy less than the permitted amount.

(c) A district's local optional aid equals its local optional revenue less its local optional levy, times the ratio of the actual amount levied to the permitted levy.

(d) Beginning with revenue for the 2017-2018 school year, a school district is eligible for local optional revenue under this subdivision only after the school board has asked for public testimony and adopted a written plan describing the proposed uses of the local optional revenue. A board-approved plan may be in place for no more than five fiscal years, after which time a new plan must be adopted.

Sec. 5. Minnesota Statutes 2015 Supplement, section 126C.10, subdivision 13a, is amended to read:

Subd. 13a. Operating capital levy. To obtain operating capital revenue, a district may levy an amount not more than the product of its operating capital revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the operating capital equalizing factor. The operating capital equalizing factor equals $14,500 for fiscal years 2015 and 2016, $14,740 for fiscal year 2017, $17,473 for fiscal year 2018, and $20,532 for fiscal year 2019 and later.

Sec. 6. Minnesota Statutes 2014, section 126C.10, subdivision 24, is amended to read:

Subd. 24. Equity revenue. (a) A school district qualifies for equity revenue if:

(1) the school district's adjusted pupil unit amount of basic revenue, transition revenue, and referendum revenue is less than the value of the school district at or immediately above the 95th percentile of school districts in its equity region for those revenue categories; and

(2) the school district's administrative offices are not located in a city of the first class on July 1, 1999.

(b) Equity revenue for a qualifying district that receives referendum revenue under section 126C.17, subdivision 4, equals the product of (1) the district's adjusted pupil units for that year; times (2) the sum of (i) $14, plus (ii) $80, times the school district's equity index computed under subdivision 27.

(c) Equity revenue for a qualifying district that does not receive referendum revenue under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil units for that year times $14.
(d) A school district's equity revenue is increased by the greater of zero or an amount equal to the district's adjusted pupil units times the difference between ten percent of the statewide average amount of referendum revenue per adjusted pupil unit for that year and the district's referendum revenue per adjusted pupil unit. A school district's revenue under this paragraph must not exceed $100,000 for that year.

(e) A school district's equity revenue for a school district located in the metro equity region equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

Beginning in fiscal year 2018, a district's equity revenue adjustment under this paragraph is available only after the school board has adopted a written resolution authorizing the equity revenue adjustment. The resolution must be adopted at a board meeting after the public has been given an opportunity to speak on the resolution. A resolution adopted under this subdivision may authorize the revenue adjustment for up to five years, and the board may subsequently reauthorize the revenue in increments of up to five years.

(f) A school district's additional equity revenue equals $50 times its adjusted pupil units.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017 and later.

Sec. 7. Minnesota Statutes 2015 Supplement, section 126C.15, subdivision 1, is amended to read:

Subdivision 1. **Use of revenue.** The basic skills revenue under section 126C.10, subdivision 4, must be reserved and used to meet the educational needs of pupils who enroll under-prepared to learn and whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age. Basic skills revenue may also be used for programs designed to prepare children and their families for entry into school whether the student first enrolls in kindergarten or first grade. Any of the following may be provided to meet these learners' needs:

1. direct instructional services under the assurance of mastery program according to section 124D.66;
2. remedial instruction in reading, language arts, mathematics, other content areas, or study skills to improve the achievement level of these learners;
3. additional teachers and teacher aides to provide more individualized instruction to these learners through individual tutoring, lower instructor-to-learner ratios, or team teaching;
(4) a longer school day or week during the regular school year or through a summer program that may be offered directly by the site or under a performance-based contract with a community-based organization;

(5) recruitment and new teacher development activities through quality mentor-led induction or "grow your own" initiatives;

(6) a hiring bonus or other added compensation for a teacher identified as effective or highly effective under the local teacher professional review cycle who agrees to work in a hard-to-fill position or hard-to-staff school setting such as a school with a majority of students whose families meet federal poverty guidelines, a geographically isolated school, or a school identified by the state as eligible for targeted programs or services for its students;

(7) comprehensive and ongoing staff development consistent with district and site plans according to section 122A.60 and to implement plans under section 120B.12, subdivision 4a, for teachers, teacher aides, principals, and other personnel to improve their ability to identify the needs of these learners and provide appropriate remediation, intervention, accommodations, or modifications;

(8) instructional materials, digital learning, and technology appropriate for meeting the individual needs of these learners;

(9) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services;

(10) bilingual programs, bicultural programs, and programs for English learners;

(11) all day kindergarten;

(12) early education programs, parent-training programs, school readiness programs, kindergarten programs for four-year-olds, voluntary home visits under section 124D.13, subdivision 4, and other outreach efforts designed to prepare children for kindergarten;

(13) extended school day and extended school year programs, including summer academies; and

(14) substantial parent involvement in developing and implementing remedial education or intervention plans for a learner, including learning contracts between the school, the learner, and the parent that establish achievement goals and responsibilities of the learner and the learner's parent or guardian.
32.1 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

32.2 Sec. 8. Minnesota Statutes 2015 Supplement, section 126C.15, subdivision 2, is amended to read:

Subd. 2. **Building allocation.** (a) Unless a plan has been adopted according to paragraph (b), a district or cooperative must allocate its compensatory revenue to each school building in the district or cooperative where the children who have generated the revenue are served unless the school district or cooperative has received permission under Laws 2005, First Special Session chapter 5, article 1, section 50, to allocate compensatory revenue according to student performance measures developed by the school board.

(b) Notwithstanding paragraph (a), the board of a district or cooperative may allocate up to 50 percent of the amount of revenue that the district receives to school sites according to a plan adopted by the school board. The money reallocated under this paragraph must be spent for the purposes listed in subdivision 1, but may be spent on students in any grade, including students attending school readiness or other prekindergarten programs.

(c) For the purposes of this section and section 126C.05, subdivision 3, "building" means education site as defined in section 123B.04, subdivision 1.

(d) Notwithstanding section 123A.26, subdivision 1, compensatory revenue generated by students served at a cooperative unit shall be paid to the cooperative unit.

(e) A district or cooperative with school building openings, school building closings, changes in attendance area boundaries, or other changes in programs or student demographics between the prior year and the current year may reallocate compensatory revenue among sites to reflect these changes. A district or cooperative must report to the department any adjustments it makes according to this paragraph and the department must use the adjusted compensatory revenue allocations in preparing the report required under section 123B.76, subdivision 3, paragraph (c).

32.28 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

32.29 Sec. 9. Minnesota Statutes 2014, section 126C.15, subdivision 3, is amended to read:

Subd. 3. **Recommendation.** A school site decision-making team, as defined in section 123B.04, subdivision 2, paragraph (a), or the instruction and curriculum advisory committee under section 120B.11, if the school has no school site decision team, shall recommend to the school board how the compensatory education revenue will be used to carry out the purpose of this section. A school district that has received permission under Laws 2005, First Special Session chapter 5, article 1, section 50, to allocate compensatory revenue.
revenue according to school performance measures shall share its plan for the distribution of compensatory revenue with the school site decision team.

**EFFECTIVE DATE.** This section is effective July 1, 2016.

Sec. 10. Minnesota Statutes 2014, section 126C.17, subdivision 9a, is amended to read:

Subd. 9a. **Board-approved referendum allowance.** Notwithstanding subdivision 9, a school district may convert up to $300 per adjusted pupil unit of referendum authority from voter approved to board approved by a board vote. A district with less than $300 per adjusted pupil unit of referendum authority after the local optional revenue subtraction under subdivision 1 may authorize new referendum authority up to the difference between $300 per adjusted pupil unit and the district's referendum authority. The board may authorize this levy for up to five years and. The board may subsequently reauthorize that authority in increments of up to only after allowing public testimony on the authority and adopting a written resolution extending the authority for a specified number of years, not to exceed five years.

**EFFECTIVE DATE.** This section is effective for authority approved by the board on or after July 1, 2016.

Sec. 11. Minnesota Statutes 2014, section 127A.353, subdivision 4, is amended to read:

Subd. 4. **Duties; powers.** (a) The school trust lands director shall:

(1) take an oath of office before assuming any duties as the director;
(2) evaluate the school trust land asset position;
(3) determine the estimated current and potential market value of school trust lands;
(4) advise the governor, Executive Council, commissioner of natural resources, and the Legislative Permanent School Fund Commission on the management of school trust lands, including:

(i) Department of Natural Resources school trust land management plans;
(ii) leases of school trust lands;
(iii) royalty agreements on school trust lands;
(iv) land sales and exchanges;
(v) cost certification; and
(vi) revenue generating options;
(5) propose to the Legislative Permanent School Fund Commission legislative changes that will improve the asset allocation of the school trust lands;
(6) develop a ten-year strategic plan and a 25-year framework for management of school trust lands, in conjunction with the commissioner of natural resources, that is updated every five years and implemented by the commissioner, with goals to:
(i) retain core real estate assets;
(ii) increase the value of the real estate assets and the cash flow from those assets;
(iii) rebalance the portfolio in assets with high performance potential and the strategic disposal of selected assets;
(iv) establish priorities for management actions; and
(v) balance revenue enhancement and resource stewardship;
(7) submit to the Legislative Permanent School Fund Commission for review an annual budget and management plan for the director; and
(8) keep the beneficiaries, governor, legislature, and the public informed about the work of the director by reporting to the Legislative Permanent School Fund Commission in a public meeting at least once during each calendar quarter.
(b) In carrying out the duties under paragraph (a), the school trust lands director shall have the authority to:
(1) direct and control money appropriated to the director;
(2) establish job descriptions and employ up to five employees in the unclassified service, within the limitations of money appropriated to the director;
(3) enter into interdepartmental agreements with any other state agency; and
(4) enter into joint powers agreements under chapter 471;
(5) evaluate and initiate real estate development projects on school trust lands with the advice of the Legislative Permanent School Fund Commission in order to generate long-term economic return to the permanent school fund; and
(6) submit recommendations on strategies for school trust land leases, sales, or exchanges to the commissioner of natural resources and the Legislative Permanent School Fund Commission.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 12. Minnesota Statutes 2014, section 127A.51, is amended to read:

127A.51 STATEWIDE AVERAGE REVENUE.

By October December 1 of each year the commissioner must estimate the statewide average adjusted general revenue per adjusted pupil unit and the disparity in adjusted general revenue among pupils and districts by computing the ratio of the 95th percentile
to the fifth percentile of adjusted general revenue. The commissioner must provide that information to all districts.

If the disparity in adjusted general revenue as measured by the ratio of the 95th percentile to the fifth percentile increases in any year, the commissioner shall recommend to the legislature options for change in the general education formula that will limit the disparity in adjusted general revenue to no more than the disparity for the previous school year. The commissioner must submit the recommended options to the education committees of the legislature by January 15, February 1.

For purposes of this section and section 126C.10, adjusted general revenue means the sum of basic revenue under section 126C.10, subdivision 2; referendum revenue under section 126C.17; local optional revenue under section 126C.10, subdivision 2e; and equity revenue under section 126C.10, subdivisions 24a and 24b.

Sec. 13. Laws 2013, chapter 116, article 7, section 19, as amended by Laws 2015, First Special Session chapter 3, article 7, section 6, is amended to read:

Sec. 19. FUND OR ACCOUNT TRANSFER; FISCAL YEAR 2014 THROUGH FISCAL YEAR 2017 ONLY.

(a) Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for fiscal year 2014 through fiscal year 2017 only and later, the commissioner must approve a request for a fund or account transfer if the transfer does not increase state aid obligations to the district or result in additional property tax authority for the district. This section does not permit transfers from the community service fund, the food service fund, or the reserved account for staff development under section 122A.61.

(b) A school board may approve a fund or account transfer under paragraph (a) only after adopting a resolution stating the fund or account transfer will not diminish instructional opportunities for students.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 14. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 2, is amended to read:

Subd. 2. General education aid. For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$6,624,310,000</td>
</tr>
<tr>
<td>2015</td>
<td>$6,649,435,000</td>
</tr>
<tr>
<td>2016</td>
<td>$6,761,574,000</td>
</tr>
<tr>
<td>2017</td>
<td>$6,794,192,000</td>
</tr>
</tbody>
</table>

Article 7 Sec. 14.
The 2016 appropriation includes $622,908,000 for 2015 and $6,001,405,000
$6,026,527,000 for 2016.

The 2017 appropriation includes $638,812,000 $641,412,000 for 2016 and
$6,122,762,000 $6,152,780,000 for 2017.

Sec. 15. VOLUNTARY BOUNDARY ALIGNMENT; MOORHEAD AND
DILWORTH-GLYNDON-FELTON.

Subdivision 1. Boundary realignment allowed. The school boards of Independent
School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, may realign
their shared district boundaries according to the provisions of this section.

Subd. 2. Plan to establish new boundaries. (a) The school boards of Independent
School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, may jointly
develop a plan to realign their shared school district boundaries over a period of years.

(b) The plan must specify and identify each group of parcels that will be transferred
and the method used to determine the year during which each set of parcels is transferred.
The method of transfer may include an analysis of the relative tax base of the parcels to
be transferred and may make the transfers of parcels effective upon the relationship in
relative tax bases.

(c) The written plan must be adopted by each school board after the board has
allowed public testimony on the plan.

(d) The plan must be filed with both the county auditor and the commissioner of
education.

(e) After adopting the plan, each school board must publish notice of the plan
realigning district boundaries. The notice must include a general description of the area
that will be affected by the proposed boundary alignment and the method by which the
boundaries will be realigned. The notice must also be mailed to each property owner of
record in the area proposed for realignment.

Subd. 3. Bonded debt. As of the effective date of each exchange of parcels between
the two school districts, for the next and subsequent tax years, the taxable property in the
newly aligned parcel is taxable for a portion of the bonded debt of the school district to
which the property is attached and is not taxable for the bonded debt from the school
district from which the property is detached.

Subd. 4. County auditor notified. After adoption of the plan, each school board
must provide a copy of the plan to the county auditor. The county auditor may request
any other necessary information from the school districts to affect the transfer of parcels
between the school districts. Each year, the school districts must notify the county auditor
of what block of parcels, if any, will be transferred between the two school districts. The
county auditor must notify each affected property owner of the boundary change.

Subd. 5. Report to Department of Education. Upon adoption of the plan, the
school boards must submit a copy of the plan to the Department of Education. The districts
must also provide any additional information necessary for computing school aids and
levies to the Department of Education in the form and manner requested by the department.

EFFECTIVE DATE. This section is effective the day after the school boards of
Independent School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton,
and their respective chief clerical officers timely comply with Minnesota Statutes, section
645.021, subdivisions 2 and 3.

Sec. 16. GLENVILLE-EMMONS SCHOOL DISTRICT; OPERATING
REFERENDUM ADJUSTMENT.

Subdivision 1. Year first effective. Notwithstanding any law to the contrary, the
operating referendum approved by the voters of Independent School District No. 2886,
Glenville-Emmons, in April 2015, is first effective for fiscal year 2017 and may run for
the number of years stated on the ballot. The total referendum authority for fiscal year
2017, including any board-approved authority, may not exceed the amount approved
by the voters.

Subd. 2. Documentation and process. The board of Independent School District
No. 2886, Glenville-Emmons, must submit to the commissioner of education the following:
(1) a unanimously adopted written resolution of the board at a public meeting
authorizing the operating referendum to begin in fiscal year 2017;
(2) documentation showing that the district's approved plan to eliminate its statutory
operating debt is being followed; and
(3) any other information requested by the commissioner.

Subd. 3. Levy adjustment. Independent School District No. 2886,
Glenville-Emmons, may certify the levy to accompany the fiscal year 2017 operating
referendum over a three-year period beginning with taxes payable in 2017.

Sec. 17. EQUITY AID; FISCAL YEAR 2017.
For fiscal year 2017 only, the entire amount of the equity revenue adjustment under
section 6 is paid through state aid.

Sec. 18. REPORT ON POSTSECONDARY ENROLLMENT OPTIONS
PROGRAM.
The commissioner of education must include in its 2017 report to the legislature on dual credit programs the number of students participating in early middle college programs and the number of English language learners participating in each type of dual enrollment program. The commissioner must also include recommendations about how to expand participation in early middle college programs for English language learners.

Sec. 19. REVISOR'S INSTRUCTION.

The revisor of statutes shall codify section 13 in Minnesota Statutes, section 123B.79, consistent with other limitations on school district fund and account transfers and appropriately revise any statutory cross-reference consistent with that recoding.

ARTICLE 8
EDUCATION EXCELLENCE

Section 1. [119A.035] SCHOOL CRISIS RESPONSE TEAMS.

Subdivision 1. Commissioner's duties. To ensure timely responses to school crises, the commissioner must work in cooperation with the Minnesota School Safety Center to collect, maintain, and make available to schools contact information for crisis response teams throughout the state.

Subd. 2. Crisis response teams. In regions of Minnesota where an existing crisis response team has not been formed by a school district, county, or city, the commissioner, in cooperation with the Minnesota School Safety Center, must convene a working group in each region to develop a plan to form a crisis response team for that region. Team members from the public and private sectors may represent various disciplines, including school administrators, guidance counselors, psychologists, social workers, teachers, nurses, security experts, media relations professionals, and other related areas.

Sec. 2. Minnesota Statutes 2014, section 120A.22, subdivision 12, is amended to read:

Subd. 12. Legitimate exemptions. (a) A parent, guardian, or other person having control of a child may apply to a school district to have the child excused from attendance attending for the whole or any part of the time school is in session or participating in a physical education class during any school year. Application may be made to any member of the board, a truant officer, a principal, or the superintendent. The school district may state in its school attendance policy that it may ask the student's parent or legal guardian to verify in writing the reason for the child's absence from school or not participating in a physical education class. A note from a physician or a licensed mental health professional stating that the child cannot attend school or participate in a physical education class.
is a valid excuse. The board of the district in which the child resides may approve the
application upon the following being demonstrated to the satisfaction of that board:

(1) that the child's physical or mental health is such as to prevent attendance at
attending school or participating in a physical education class or application applying to
study for the period required, which includes:

(i) child illness, medical, dental, orthodontic, or counseling appointments;
(ii) family emergencies;
(iii) the death or serious illness or funeral of an immediate family member;
(iv) active duty in any military branch of the United States;
(v) the child has a condition that requires ongoing treatment for a mental health
diagnosis; or
(vi) other exemptions included in the district's school attendance policy;
(2) that the child has already completed state and district standards required for
graduation from high school; or
(3) that it is the wish of the parent, guardian, or other person having control of the
child, that the child attend for a period or periods not exceeding in the aggregate three
hours in any week, a school for religious instruction conducted and maintained by some
church, or association of churches, or any Sunday school association incorporated under
the laws of this state, or any auxiliary thereof. This school for religious instruction must
be conducted and maintained in a place other than a public school building, and it must
not, in whole or in part, be conducted and maintained at public expense. However, a child
may be absent from school on such days as the child attends upon instruction according to
the ordinances of some church.

(b) Notwithstanding subdivision 6, paragraph (a), a parent may withdraw a child
from an all-day, every day kindergarten program and put their child in a half-day program,
if offered, or an alternate-day program without being truant. A school board must excuse a
kindergarten child from a part of a school day at the request of the child's parent.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2014, section 120A.42, is amended to read:

**120A.42 CONDUCT OF SCHOOL ON CERTAIN HOLIDAYS.**

(a) The governing body of any district may contract with any of the teachers of the
district for the conduct of schools, and may conduct schools, on either, or any, of the
following holidays, provided that a clause to this effect is inserted in the teacher's contract:

Martin Luther King's birthday, Lincoln's and Washington's birthdays, Columbus Day
and Veterans' Day. On Martin Luther King's birthday, Washington's birthday, Lincoln's birthday, and Veterans' Day at least one hour of the school program must be devoted to a patriotic observance of the day.

(b) A district may conduct a school program to honor Constitution Day and Citizenship Day by providing opportunities for students to learn about the principles of American democracy, the American system of government, American citizens' rights and responsibilities, American history, and American geography, symbols, and holidays.

Among other activities under this paragraph, districts may administer to students the test questions United States Citizenship and Immigration Services officers pose to applicants for naturalization and may formally recognize students who are able to answer 80 or more of the 100 questions correctly.

**EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and later.

Sec. 4. Minnesota Statutes 2014, section 120B.02, is amended by adding a subdivision to read:

Subd. 3. **Required knowledge and understanding of civics.** (a) For purposes of this subdivision, "civics test questions" means 50 of the 100 questions that, as of January 1, 2015, United States citizenship and immigration services officers use to select the questions they pose to applicants for naturalization so the applicants can demonstrate their knowledge and understanding of the fundamentals of United States history and government, as required by United States Code, title 8, section 1423. The Learning Law and Democracy Foundation, in consultation with Minnesota civics teachers, must select by July 1 each year 50 of the 100 questions under this paragraph to serve as the state's civics test questions for the proximate school year and immediately transmit the 50 selected civics test questions to the department and to the Legislative Coordinating Commission, which must post the 50 questions it receives on the Minnesota's Legacy Web site by August 1 of that year.

(b) A student enrolled in a public school must correctly answer at least 30 of the 50 civics test questions. A school or district must record on a student's transcript whether and when the student answered at least 30 of 50 civics test questions correctly. A school or district may exempt a student with disabilities from this requirement if the student's individualized education program team determines the requirement is inappropriate and establishes an alternative requirement. A school or district may administer the civics test questions in a language other than English to students who qualify for English learner services.
(c) Schools and districts may administer civics test questions as part of the social studies curriculum. A district must not prevent a student from graduating or deny a student a high school diploma for failing to correctly answer at least 30 of 50 civics test questions.

(d) The commissioner and public schools and school districts must not charge students any fees related to this subdivision.

**EFFECTIVE DATE.** This section is effective for students enrolling in grade 9 in the 2017-2018 school year or later.

Sec. 5. Minnesota Statutes 2014, section 120B.021, subdivision 1, is amended to read:

Subdivision 1. **Required academic standards.** (a) The following subject areas are required for statewide accountability:

1. language arts;
2. mathematics;
3. science;
4. social studies, including history, geography, economics, and government and citizenship that includes civics consistent with section 120B.02, subdivision 3;
5. physical education;
6. health, for which locally developed academic standards apply; and
7. the arts, for which statewide or locally developed academic standards apply, as determined by the school district. Public elementary and middle schools must offer at least three and require at least two of the following four arts areas: dance; music; theater; and visual arts. Public high schools must offer at least three and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.

(b) For purposes of applicable federal law, the academic standards for language arts, mathematics, and science apply to all public school students, except the very few students with extreme cognitive or physical impairments for whom an individualized education program team has determined that the required academic standards are inappropriate. An individualized education program team that makes this determination must establish alternative standards.

(c) Consistent with section 120B.021, subdivision 4, paragraph (g), the department must adopt the most recent Society of Health and Physical Education (SHAPE) America or other nationally recognized kindergarten through grade 12 physical education standards and benchmarks as the required Minnesota physical education academic standards. The department may modify and adapt the national standards and benchmarks to accommodate state interest so long as it maintains the purpose and integrity of the national standards. The
department must post on its Web site existing assessments available in the public domain for school districts to use in assessing students' mastery of the physical education standards.

(e) (d) District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

EFFECTIVE DATE. Paragraph (c) is effective for the 2020-2021 school year and later.

Sec. 6. Minnesota Statutes 2014, section 120B.021, subdivision 3, is amended to read:

Subd. 3. Rulemaking. The commissioner, consistent with the requirements of this section and section 120B.022, must adopt statewide rules under section 14.389 for implementing statewide rigorous core academic standards in language arts, mathematics, science, social studies, physical education, and the arts. After the rules authorized under this subdivision are initially adopted, the commissioner may not amend or repeal these rules nor adopt new rules on the same topic without specific legislative authorization. The academic standards for language arts, mathematics, and the arts must be implemented for all students beginning in the 2003-2004 school year. The academic standards for science and social studies must be implemented for all students beginning in the 2005-2006 school year.

Sec. 7. Minnesota Statutes 2015 Supplement, section 120B.021, subdivision 4, is amended to read:

Subd. 4. Revisions and reviews required. (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a ten-year cycle to review and, consistent with the review, revise state academic standards and related benchmarks, consistent with this subdivision. During each ten-year review and revision cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for career and college readiness and advanced work in the particular subject area. The commissioner must include the contributions of Minnesota American Indian tribes and communities as related to the academic standards during the review and revision of the required academic standards.

(b) The commissioner must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 are aligned with the state academic standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph
(b) The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2020-2021 school year and every ten years thereafter.

c) The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year and every ten years thereafter.

d) The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year and every ten years thereafter.

e) The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year and every ten years thereafter.

(f) The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year and every ten years thereafter.

g) The commissioner must adopt the most recent kindergarten through grade 12 physical education standards developed by the Society of Health and Physical Education (SHAPE) America or other nationally recognized physical education association and implement a review of the physical education standards and related benchmarks, consistent with section 120B.021, subdivision 1, paragraph (c), beginning in the 2020-2021 school year and every ten years thereafter.

(h) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, world languages, and career and technical education.

Sec. 8. Minnesota Statutes 2014, section 120B.11, subdivision 1a, is amended to read:

Subd. 1a. Performance measures. Measures to determine school district and school site progress in striving to create the world’s best workforce must include at least:

1) student performance on the National Assessment of Education Progress where applicable;

2) (1) the size of the academic achievement gap, rigorous course taking under section 120B.35, subdivision 3, paragraph (c), clause (2), and enrichment experiences by student subgroup;

3) (2) student performance on the Minnesota Comprehensive Assessments;
44.1 (3) high school graduation rates; and

44.2 (4) career and college readiness under section 120B.30, subdivision 1.

44.3 Sec. 9. Minnesota Statutes 2014, section 120B.11, subdivision 2, is amended to read:

44.4 Subd. 2. Adopting plans and budgets. A school board, at a public meeting, shall

44.5 adopt a comprehensive, long-term strategic plan to support and improve teaching and

44.6 learning that is aligned with creating the world's best workforce and includes:

44.7 (1) clearly defined district and school site goals and benchmarks for instruction and

44.8 student achievement for all student subgroups identified in section 120B.35, subdivision 3,

44.9 paragraph (b), clause (2);

44.10 (2) a process for assessing and evaluating to assess and evaluate each student's

44.11 progress toward meeting state and local academic standards, assess and identify students

44.12 to participate in gifted and talented programs and accelerate their instruction, and adopt

44.13 early-admission procedures consistent with section 120B.15, and identifying the strengths

44.14 and weaknesses of instruction in pursuit of student and school success and curriculum

44.15 affecting students' progress and growth toward career and college readiness and leading to

44.16 the world's best workforce;

44.17 (3) a system to periodically review and evaluate the effectiveness of all instruction

44.18 and curriculum, taking into account strategies and best practices, student outcomes, school

44.19 principal evaluations under section 123B.147, subdivision 3, students' access to effective

44.20 teachers who are members of populations underrepresented among the licensed teachers

44.21 in the district or school and who reflect the diversity of enrolled students under section

44.22 120B.35, subdivision 3, paragraph (b), clause (2), and teacher evaluations under section

44.23 122A.40, subdivision 8, or 122A.41, subdivision 5;

44.24 (4) strategies for improving instruction, curriculum, and student achievement,

44.25 including the English and, where practicable, the native language development and the

44.26 academic achievement of English learners;

44.27 (5) a process to examine the equitable distribution of teachers and strategies to

44.28 ensure low-income and minority children are not taught at higher rates than other children

44.29 by inexperienced, ineffective, or out-of-field teachers;

44.30 (6) (6) education effectiveness practices that integrate high-quality instruction,

44.31 rigorous curriculum, technology, and a collaborative professional culture that develops

44.32 and supports teacher quality, performance, and effectiveness; and

44.33 (6) (7) an annual budget for continuing to implement the district plan.

44.34 Sec. 10. Minnesota Statutes 2014, section 120B.11, subdivision 3, is amended to read:
Subd. 3. **District advisory committee.** Each school board shall establish an advisory committee to ensure active community participation in all phases of planning and improving the instruction and curriculum affecting state and district academic standards, consistent with subdivision 2. A district advisory committee, to the extent possible, shall reflect the diversity of the district and its school sites, include teachers, parents, support staff, students, and other community residents, and provide translation to the extent appropriate and practicable. The district advisory committee shall pursue community support to accelerate the academic and native literacy and achievement of English learners with varied needs, from young children to adults, consistent with section 124D.59, subdivisions 2 and 2a. The district may establish site teams as subcommittees of the district advisory committee under subdivision 4. The district advisory committee shall recommend to the school board rigorous academic standards, student achievement goals and measures consistent with subdivision 1a and sections 120B.022, subdivisions 1a and 1b, and 120B.35, district assessments, means to improve students’ equitable access to effective and more diverse teachers, and program evaluations. School sites may expand upon district evaluations of instruction, curriculum, assessments, or programs. Whenever possible, parents and other community residents shall comprise at least two-thirds of advisory committee members.

**EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and later.

Sec. 11. Minnesota Statutes 2014, section 120B.11, subdivision 4, is amended to read:

Subd. 4. **Site team.** A school **may must** establish a site team to develop and implement strategies and education effectiveness practices to improve instruction, curriculum, cultural competencies, including cultural awareness and cross-cultural communication, and student achievement at the school site, consistent with subdivision 2. The site team must include an equal number of teachers and administrators and at least **one parent.** The site team advises the board and the advisory committee about developing the annual budget and **revising creating** an instruction and curriculum improvement plan that aligns ____ to align curriculum, assessment of student progress, and growth in meeting state and district academic standards and instruction.

Sec. 12. Minnesota Statutes 2014, section 120B.11, subdivision 5, is amended to read:

Subd. 5. **Report.** Consistent with requirements for school performance reports under section 120B.36, subdivision 1, the school board shall publish a report in the local newspaper with the largest circulation in the district, by mail, or by electronic

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means on the district Web site. The school board shall hold an annual public meeting
to review, and revise where appropriate, student achievement goals, local assessment
outcomes, plans, strategies, and practices for improving curriculum and instruction and
cultural competency, and efforts to equitably distribute diverse, effective, experienced,
and in-field teachers, and to review district success in realizing the previously adopted
student achievement goals and related benchmarks and the improvement plans leading to
the world's best workforce. The school board must transmit an electronic summary of its
report to the commissioner in the form and manner the commissioner determines.

Sec. 13. Minnesota Statutes 2014, section 120B.15, is amended to read:

**120B.15 GIFTED AND TALENTED STUDENTS PROGRAMS.**

(a) School districts may identify students, locally develop programs addressing
instructional and affective needs, provide staff development, and evaluate programs to
provide gifted and talented students with challenging and appropriate educational programs.

(b) School districts must adopt guidelines for assessing and identifying students for
participation in gifted and talented programs consistent with section 120B.11, subdivision
2, clause (2). The guidelines should include the use of:

(1) multiple and objective criteria; and

(2) assessments and procedures that are valid and reliable, fair, and based on current
theory and research. Assessments and procedures should be sensitive to underrepresented
groups, including, but not limited to, low-income, minority, twice-exceptional, and
English learners.

(c) School districts must adopt procedures for the academic acceleration of gifted
and talented students consistent with section 120B.11, subdivision 2, clause (2). These
procedures must include how the district will:

(1) assess a student's readiness and motivation for acceleration; and

(2) match the level, complexity, and pace of the curriculum to a student to achieve
the best type of academic acceleration for that student.

(d) School districts must adopt procedures consistent with section 124D.02,
subdivision 1, for early admission to kindergarten or first grade of gifted and talented
learners consistent with section 120B.11, subdivision 2, clause (2). The procedures must
be sensitive to underrepresented groups.

Sec. 14. Minnesota Statutes 2015 Supplement, section 120B.30, subdivision 1, is
amended to read:
Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, shall include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed as computer-adaptive reading and mathematics assessments for students that are aligned with the state's required academic standards under section 120B.021, include multiple choice questions, and are administered annually to all students in grades 3 through 8. State-developed high school tests aligned with the state's required academic standards under section 120B.021 and administered to all high school students in a subject other than writing must include multiple choice questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year.

(1) Students enrolled in grade 8 through the 2009-2010 school year are eligible to be assessed under (i) the graduation-required assessment for diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraphs (c), clauses (1) and (2), and (d), (ii) the WorkKeys job skills assessment, (iii) the Compass college placement test, (iv) the ACT assessment for college admission, (v) a nationally recognized armed services vocational aptitude test.

(2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012 school year are eligible to be assessed under (i) the graduation-required assessment for diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraph (c), clauses (1) and (2), (ii) the WorkKeys job skills assessment, (iii) the Compass college placement test, (iv) the ACT assessment for college admission, (v) a nationally recognized armed services vocational aptitude test.

(3) For students under clause (1) or (2), a school district may substitute a score from an alternative, equivalent assessment to satisfy the requirements of this paragraph.

(b) The state assessment system must be aligned to the most recent revision of academic standards as described in section 120B.023 in the following manner:

(1) mathematics;

(i) grades 3 through 8 beginning in the 2010-2011 school year; and

(ii) high school level beginning in the 2013-2014 school year;

(2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012 school year; and

(3) language arts and reading; grades 3 through 8 and high school level beginning in the 2012-2013 school year.

(c) For students enrolled in grade 8 in the 2012-2013 school year and later, students' state graduation requirements, based on a longitudinal, systematic approach to student
education and career planning, assessment, instructional support, and evaluation, include
the following:

(1) an opportunity to participate on a nationally normed college entrance exam,
in grade 11 or grade 12;

(2) achievement and career and college readiness in mathematics, reading, and
writing, consistent with paragraph (1) (k) and to the extent available, to monitor students'
continuous development of and growth in requisite knowledge and skills; analyze
students' progress and performance levels, identifying students' academic strengths and
diagnosing areas where students require curriculum or instructional adjustments, targeted
interventions, or remediation; and, based on analysis of students' progress and performance
data, determine students' learning and instructional needs and the instructional tools and
best practices that support academic rigor for the student; and

(3) consistent with this paragraph and section 120B.125, age-appropriate exploration
and planning activities and career assessments to encourage students to identify personally
relevant career interests and aptitudes and help students and their families develop a
regularly reexamined transition plan for postsecondary education or employment without
need for postsecondary remediation.

Based on appropriate state guidelines, students with an individualized education program
may satisfy state graduation requirements by achieving an individual score on the
state-identified alternative assessments.

(d) Expectations of schools, districts, and the state for career or college readiness
under this subdivision must be comparable in rigor, clarity of purpose, and rates of
student completion.

A student under paragraph (c), clause (2), must receive targeted, relevant,
academically rigorous, and resourced instruction, which may include a targeted instruction
and intervention plan focused on improving the student's knowledge and skills in core
subjects so that the student has a reasonable chance to succeed in a career or college
without need for postsecondary remediation. Consistent with sections 120B.13, 124D.09,
124D.091, 124D.49, and related sections, an enrolling school or district must actively
encourage a student in grade 11 or 12 who is identified as academically ready for a career
or college to participate in courses and programs awarding college credit to high school
students. Students are not required to achieve a specified score or level of proficiency on
an assessment under this subdivision to graduate from high school.

(e) Though not a high school graduation requirement, students are encouraged to
participate in a nationally recognized college entrance exam. With funding provided by
the To the extent state funding for college entrance exam fees is available, a district must
pay the cost, one time, for an interested student in grade 11 or 12 to take a nationally
recognized college entrance exam before graduating. A student must be able to take the
exam under this paragraph at the student’s high school during the school day and at any
one of the multiple exam administrations available to students in the district.

(f) The commissioner and the chancellor of the Minnesota State Colleges and
Universities must collaborate in aligning instruction and assessments for adult basic
education students and English learners to provide the students with diagnostic information
about any targeted interventions, accommodations, modifications, and supports they
need so that assessments and other performance measures are accessible to them and
they may seek postsecondary education or employment without need for postsecondary
remediation. When administering formative or summative assessments used to measure
the academic progress, including the oral academic development, of English learners
and inform their instruction, schools must ensure that the assessments are accessible to the
students and students have the modifications and supports they need to sufficiently
understand the assessments.

(g) Districts and schools, on an annual basis, must use career exploration elements
to help students, beginning no later than grade 9, and their families explore and plan
for postsecondary education or careers based on the students' interests, aptitudes, and
aspirations. Districts and schools must use timely regional labor market information and
partnerships, among other resources, to help students and their families successfully
develop, pursue, review, and revise an individualized plan for postsecondary education or a
career. This process must help increase students' engagement in and connection to school,
 improve students' knowledge and skills, and deepen students' understanding of career
pathways as a sequence of academic and career courses that lead to an industry-recognized
credential, an associate's degree, or a bachelor's degree and are available to all students,
whatever their interests and career goals.

(h) A student who demonstrates attainment of required state academic standards,
which include career and college readiness benchmarks, on high school assessments
under subdivision 1a is academically ready for a career or college and is encouraged to
participate in courses awarding college credit to high school students. Such courses and
programs may include sequential courses of study within broad career areas and technical
skill assessments that extend beyond course grades.

(i) As appropriate, students through grade 12 must continue to participate in targeted
instruction, intervention, or remediation and be encouraged to participate in courses
awarding college credit to high school students.
(j) In developing, supporting, and improving students' academic readiness for a
career or college, schools, districts, and the state must have a continuum of empirically
derived, clearly defined benchmarks focused on students' attainment of knowledge and
skills so that students, their parents, and teachers know how well students must perform to
have a reasonable chance to succeed in a career or college without need for postsecondary
remediation. The commissioner, in consultation with local school officials and educators,
and Minnesota's public postsecondary institutions must ensure that the foundational
knowledge and skills for students' successful performance in postsecondary employment
or education and an articulated series of possible targeted interventions are clearly
identified and satisfy Minnesota's postsecondary admissions requirements.

(k) For students in grade 8 in the 2012-2013 school year and later, a school, district,
or charter school must record on the high school transcript a student's progress toward
career and college readiness, and for other students as soon as practicable.

(l) The school board granting students their diplomas may formally decide to include
a notation of high achievement on the high school diplomas of those graduating seniors
who, according to established school board criteria, demonstrate exemplary academic
achievement during high school.

(m) The 3rd through 8th grade computer-adaptive assessment results and high
school test results shall be available to districts for diagnostic purposes affecting student
learning and district instruction and curriculum, and for establishing educational
accountability. The commissioner must establish empirically derived benchmarks on
adaptive assessments in grades 3 through 8. The commissioner and the chancellor of the
Minnesota State Colleges and Universities must establish empirically derived benchmarks
on the high school tests that reveal a trajectory toward career and college readiness. The
chancellor of the Minnesota State Colleges and Universities must review and confirm
the benchmarks show that students are able to successfully complete credit-bearing
coursework at a Minnesota state college or university, consistent with paragraph (p). The
commissioner must disseminate to the public the computer-adaptive assessments and high
school test results upon receiving those results.

(n) The grades 3 through 8 computer-adaptive assessments and high school tests
must be aligned with state academic standards. The commissioner shall determine the
testing process and the order of administration. The statewide results shall be aggregated
at the site and district level, consistent with subdivision 1a.

(o) The commissioner shall include the following components in the statewide
public reporting system:
(1) uniform statewide computer-adaptive assessments of all students in grades 8 through 12 and testing at the high school levels that provides appropriate, technically sound accommodations or alternate assessments;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis, including average daily attendance, high school graduation rates, and high school drop-out rates by age and grade level;

(3) state results on the American College Test; and

(4) state results from participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement.

(p) For purposes of statewide accountability, "career and college ready" means a high school graduate has the knowledge, skills, and competencies to successfully pursue a career pathway, including postsecondary credit leading to a degree, diploma, certificate, or industry-recognized credential and employment. Students who are career and college ready are able to successfully complete credit-bearing coursework at a two- or four-year college or university or other credit-bearing postsecondary program without need for remediation.

(q) For purposes of statewide accountability, "cultural competence," "cultural competency," or "culturally competent" means the ability and will to interact effectively with people of different cultures, native languages, and socioeconomic backgrounds.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later.

Sec. 15. Minnesota Statutes 2015 Supplement, section 120B.30, subdivision 1a, is amended to read:

Subd. 1a. Statewide and local assessments; results. (a) For purposes of this section, the following definitions have the meanings given them.

(1) "Computer-adaptive assessments" means fully adaptive assessments.

(2) "Fully adaptive assessments" include test items that are on-grade level and items that may be above or below a student's grade level.

(3) "On-grade level" test items contain subject area content that is aligned to state academic standards for the grade level of the student taking the assessment.

(4) "Above-grade level" test items contain subject area content that is above the grade level of the student taking the assessment and is considered aligned with state academic standards to the extent it is aligned with content represented in state academic standards above the grade level of the student taking the assessment. Notwithstanding
the student's grade level, administering above-grade level test items to a student does not violate the requirement that state assessments must be aligned with state standards.

(5) "Below-grade level" test items contain subject area content that is below the grade level of the student taking the test and is considered aligned with state academic standards to the extent it is aligned with content represented in state academic standards below the student's current grade level. Notwithstanding the student's grade level, administering below-grade level test items to a student does not violate the requirement that state assessments must be aligned with state standards.

(b) The commissioner must use fully adaptive mathematics and reading assessments for grades 3 through 8.

(c) For purposes of conforming with existing federal educational accountability requirements, the commissioner must develop and implement computer-adaptive reading and mathematics assessments for grades 3 through 8, state-developed high school reading and mathematics tests aligned with state academic standards, a high school writing test aligned with state standards when it becomes available, and science assessments under clause (2) that districts and sites must use to monitor student growth toward achieving those standards. The commissioner must not develop statewide assessments for academic standards in social studies, except a civics test consistent with section 120B.02, subdivision 3, health and physical education, and the arts. The commissioner must require:

(1) annual computer-adaptive reading and mathematics assessments in grades 3 through 8, and high school reading, writing, and mathematics tests; and

(2) annual science assessments in one grade in the grades 3 through 5 span, the grades 6 through 8 span, and a life sciences assessment in the grades 9 through 12 span, and the commissioner must not require students to achieve a passing score on high school science assessments as a condition of receiving a high school diploma.

(d) The commissioner must ensure that for annual computer-adaptive assessments:

(1) individual student performance data and achievement reports are available within three school days of when students take an assessment except in a year when an assessment reflects new performance standards;

(2) growth information is available for each student from the student's first assessment to each proximate assessment using a constant measurement scale;

(3) parents, teachers, and school administrators are able to use elementary and middle school student performance data to project students' secondary and postsecondary achievement; and

(4) useful diagnostic information about areas of students' academic strengths and weaknesses is available to teachers and school administrators for improving student
instruction and indicating the specific skills and concepts that should be introduced and
developed for students at given performance levels, organized by strands within subject
areas, and aligned to state academic standards.

(e) The commissioner must ensure that all state tests administered to elementary and
secondary students measure students' academic knowledge and skills and not students'
values, attitudes, and beliefs.

(f) Reporting of state assessment results must:

(1) provide timely, useful, and understandable information on the performance of
individual students, schools, school districts, and the state;

(2) include a growth indicator of student achievement; and

(3) determine whether students have met the state's academic standards.

(g) Consistent with applicable federal law, the commissioner must include
appropriate, technically sound accommodations or alternative assessments for the very
few students with disabilities for whom statewide assessments are inappropriate and
for English learners.

(h) A school, school district, and charter school must administer statewide
assessments under this section, as the assessments become available, to evaluate student
progress toward career and college readiness in the context of the state's academic
standards. A school, school district, or charter school may use a student's performance
on a statewide assessment as one of multiple criteria to determine grade promotion or
retention. A school, school district, or charter school may use a high school student's
performance on a statewide assessment as a percentage of the student's final grade in a
course, or place a student's assessment score on the student's transcript.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 16. Minnesota Statutes 2015 Supplement, section 120B.301, is amended to read:

120B.301 LIMITS ON LOCAL TESTING.

(a) For students in grades 1 through 6, the cumulative total amount of time spent
taking locally adopted districtwide or schoolwide assessments must not exceed ten hours
per school year. For students in grades 7 through 12, the cumulative total amount of time
spent taking locally adopted districtwide or schoolwide assessments must not exceed 11
hours per school year. For purposes of this paragraph, International Baccalaureate and
Advanced Placement exams are not considered locally adopted assessments.

(b) A district or charter school is exempt from the requirements of paragraph (a),
if the district or charter school, in consultation with the exclusive representative of the
teachers or other teachers if there is no exclusive representative of the teachers, decides
to exceed a time limit in paragraph (a) and includes in the report required under section
120B.11, subdivision 5.

(c) A district or charter school, before the first day of each school year, must publish
on its Web site a comprehensive calendar of standardized tests to be administered in the
district or charter school during that school year. The calendar must provide the rationale
for administering each assessment and indicate whether the assessment is a local option or
required by state or federal law.

**EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
later.

Sec. 17. [120B.304] SCHOOL DISTRICT ASSESSMENT COMMITTEE.

(a) A school district that does not have an agreement between the school board and
the exclusive representative of the teachers about selecting assessments must establish a
district assessment committee to advise the school board on administering standardized
assessments to students in addition to the assessments required under section 120B.30 and
applicable federal law unless paragraph (b) applies. The committee must include an equal
number of teachers and administrators and at least one parent of a student in the district
and may include at least one representative from each school site in the district.

(b) A school district may seek this assessment advice from the district advisory
committee under section 120B.11, subdivision 3, instead of establishing a committee
under this section.

**EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
later.

Sec. 18. Minnesota Statutes 2015 Supplement, section 120B.31, subdivision 4, is
amended to read:

Subd. 4. **Student performance data.** In developing policies and assessment
processes to hold schools and districts accountable for high levels of academic standards
under section 120B.021, the commissioner shall aggregate and disaggregate student
data over time to report summary student performance and growth levels and, under
section 120B.11, subdivision 2, clause (2), student learning and outcome data measured
at the school, school district, and statewide level. **When collecting and reporting the
performance data,** the commissioner shall use the student categories identified under the
federal Elementary and Secondary Education Act, as most recently reauthorized, and
student categories of homelessness, ethnicity, race, home language, immigrant, refugee status, English language learners under section 124D.59, free or reduced-price lunch, and other categories designated by federal law to organize and report the data so that state and local policy makers can understand the educational implications of changes in districts' demographic profiles over time, including student homelessness, as data are available, among other demographic factors. Any report the commissioner disseminates containing summary data on student performance must integrate student performance and the demographic factors that strongly correlate with that performance.

**EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and later.

Sec. 19. Minnesota Statutes 2014, section 120B.31, is amended by adding a subdivision to read:

**Subd. 4a. Student participation.** The commissioner shall create and publish a form for parents and guardians to complete if they refuse to have their student participate in state or locally required standardized testing. The form must state why there are state academic standards, indicate which tests are aligned with state standards, and what consequences, if any, the school or student may face if a student does not participate in state or locally required standardized testing. This form must ask parents to indicate a reason for their refusal.

**EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and later.

Sec. 20. Minnesota Statutes 2014, section 120B.31, is amended by adding a subdivision to read:

**Subd. 6. Retaliation prohibited.** An employee who discloses information to the commissioner or a parent or guardian about service disruptions or technical interruptions related to administering assessments under this section is protected under section 181.932, governing disclosure of information by employees.

**EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and later.

Sec. 21. Minnesota Statutes 2014, section 120B.31, is amended by adding a subdivision to read:
Subd. 7. **Shared settlements and reimbursements.** If a state testing contractor fails
to perform or otherwise violates a state testing contract, any payment the commissioner
receives from the testing contractor for failure to perform or other contract violation or
other contractual settlement must be distributed to affected schools. The commissioner
must allocate to each affected school that portion of the contractor's payment equal
to the number of pupils enrolled in that school compared to the total number of pupils
enrolled in all affected schools.

**EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
later.

Sec. 22. Minnesota Statutes 2014, section 120B.35, is amended to read:

**120B.35 STUDENT ACADEMIC ACHIEVEMENT AND GROWTH.**

Subdivision 1. **School and Student indicators of growth and achievement.**
The commissioner must develop and implement a system for measuring and reporting
academic achievement and individual student growth, consistent with the statewide
educational accountability and reporting system. The system components must measure
and separately report the adequate yearly progress federal expectations of schools and
the growth of individual students: students' current achievement in schools under
subdivision 2; and individual students' educational growth over time under subdivision
3. The system also must include statewide measures of student academic growth that
identify schools with high levels of growth, and also schools with low levels of growth
that need improvement. **When determining a school's effect,** the data must include
both statewide measures of student achievement and, to the extent annual tests are
administered, indicators of achievement growth that take into account a student's prior
achievement. Indicators of achievement and prior achievement must be based on highly
reliable statewide or districtwide assessments. Indicators that take into account a student's
prior achievement must not be used to disregard a school's low achievement or to exclude
a school from a program to improve low achievement levels.

Subd. 2. **Federal Expectations for student academic achievement.** (a) Each
school year, a school district must determine if the student achievement levels at each
school site meet federal expectations. If student achievement levels at a school site do
not meet federal expectations **and the site has not made adequate yearly progress for two
consecutive school years,** beginning with the 2001-2002 school year, the district must
work with the school site to adopt a plan to raise student achievement levels to meet
federal expectations. The commissioner of education shall establish student academic
achievement levels to comply with this paragraph.

(b) School sites identified as not meeting federal expectations must develop
continuous improvement plans in order to meet federal expectations for student academic
achievement. The department, at a district's request, must assist the district and the school
site(s) in developing a plan to improve student achievement. The plan must include
parental involvement components.

(c) The commissioner must:

(1) assist school sites and districts identified as not meeting federal expectations; and

(2) provide technical assistance to schools that integrate student achievement
measures into the school continuous improvement plan.

d) The commissioner shall establish and maintain a continuous improvement Web
site designed to make aggregated and disaggregated student growth and, under section
120B.11, subdivision 2, clause (2), student learning and outcome data on every school
and district available to parents, teachers, administrators, community members, and the
general public, consistent with this section.

Subd. 3. State growth target; other state measures. (a) (1) The state's educational
assessment system measuring individual students' educational growth is based on
indicators of achievement growth that show an individual student's prior achievement.
Indicators of achievement and prior achievement must be based on highly reliable
statewide or districtwide assessments.

(2) For purposes of paragraphs (b), (c), and (d), the commissioner must analyze and
report separate categories of information using the student categories identified under the
federal Elementary and Secondary Education Act, as most recently reauthorized and, in
addition to the Karen community, other student categories as determined by the total
Minnesota population at or above the 1,000-person threshold based on the most recent
decennial census, including ethnicity; race; refugee status; English language learners
under section 124D.59; home language; free or reduced-price lunch; immigrant; and all
students enrolled in a Minnesota public school who are currently or were previously in
foster care, except that such disaggregation and cross tabulation is not required if the
number of students in a category is insufficient to yield statistically reliable information or
the results would reveal personally identifiable information about an individual student.

(b) The commissioner, in consultation with a stakeholder group that includes
assessment and evaluation directors, district staff, experts in culturally responsive teaching,
and researchers, must implement a model that uses a value-added growth indicator and
includes criteria for identifying schools and school districts that demonstrate medium and
high growth under section 120B.299, subdivisions 8 and 9, and may recommend other
value-added measures under section 120B.299, subdivision 3. The model may be used
to advance educators' professional development and replicate programs that succeed in
meeting students' diverse learning needs. Data on individual teachers generated under the
model are personnel data under section 13.43. The model must allow users to:

(1) report student growth consistent with this paragraph; and

(2) for all student categories, report and compare aggregated and disaggregated state
student growth and, under section 120B.11, subdivision 2, clause (2), student learning
and outcome data using the nine student categories identified under the federal 2001 No
Child Left Behind Act and two student gender categories of male and female, respectively,
following appropriate reporting practices to protect nonpublic student data Elementary
and Secondary Education Act, as most recently reauthorized, and other student categories
under paragraph (a), clause (2).

The commissioner must report measures of student growth and, under section
120B.11, subdivision 2, clause (2), student learning and outcome data, consistent with
this paragraph, including the English language development, academic progress, and oral
academic development of English learners and their native language development if the
native language is used as a language of instruction, and include data on all pupils enrolled
in a Minnesota public school course or program who are currently or were previously
counted as an English learner under section 124D.59.

(c) When reporting student performance under section 120B.36, subdivision 1, the
commissioner annually, beginning July 1, 2011, must report two core measures indicating
the extent to which current high school graduates are being prepared for postsecondary
academic and career opportunities:

(1) a preparation measure indicating the number and percentage of high school
graduates in the most recent school year who completed course work important to
preparing them for postsecondary academic and career opportunities, consistent with
the core academic subjects required for admission to Minnesota's public colleges and
universities as determined by the Office of Higher Education under chapter 136A; and

(2) a rigorous coursework measure indicating the number and percentage of high
school graduates in the most recent school year who successfully completed one or more
college-level advanced placement, international baccalaureate, postsecondary enrollment
options including concurrent enrollment, other rigorous courses of study under section
120B.021, subdivision 1a, or industry certification courses or programs.

When reporting the core measures under clauses (1) and (2), the commissioner must also
analyze and report separate categories of information using the nine student categories
identified under the federal 2001 No Child Left Behind Act and two student gender
categories of male and female, respectively, following appropriate reporting practices to
protect nonpublic student data. Elementary and Secondary Education Act, as most recently
reauthorized, and other student categories under paragraph (a), clause (2).

(d) When reporting student performance under section 120B.36, subdivision 1, the
commissioner annually, beginning July 1, 2014, must report summary data on school
safety and students' engagement and connection at school, consistent with the student
categories identified under paragraph (a), clause (2). The summary data under this
paragraph are separate from and must not be used for any purpose related to measuring
or evaluating the performance of classroom teachers. The commissioner, in consultation
with qualified experts on student engagement and connection and classroom teachers,
must identify highly reliable variables that generate summary data under this paragraph.
The summary data may be used at school, district, and state levels only. Any data on
individuals received, collected, or created that are used to generate the summary data
under this paragraph are nonpublic data under section 13.02, subdivision 9. 

(e) For purposes of statewide educational accountability, the commissioner must
identify and report measures that demonstrate the success of learning year program
providers under sections 123A.05 and 124D.68, among other such providers, in improving
students' graduation outcomes. The commissioner, beginning July 1, 2015, must annually
report summary data on:

(1) the four- and six-year graduation rates of students under this paragraph;
(2) the percent of students under this paragraph whose progress and performance
levels are meeting career and college readiness benchmarks under section 120B.30,
subdivision 1; and 
(3) the success that learning year program providers experience in:
   (i) identifying at-risk and off-track student populations by grade;
   (ii) providing successful prevention and intervention strategies for at-risk students;
   (iii) providing successful recuperative and recovery or reenrollment strategies for
   off-track students; and
   (iv) improving the graduation outcomes of at-risk and off-track students.

The commissioner may include in the annual report summary data on other education
providers serving a majority of students eligible to participate in a learning year program.

(f) The commissioner, in consultation with recognized experts with knowledge and
experience in assessing the language proficiency and academic performance of all English
learners enrolled in a Minnesota public school course or program who are currently or were
previously counted as an English learner under section 124D.59, must identify and report
appropriate and effective measures to improve current categories of language difficulty and
assessments, and monitor and report data on students’ English proficiency levels, program
placement, and academic language development, including oral academic language.

Subd. 4. **Improving schools.** Consistent with the requirements of this section,
beginning June 20, 2012, the commissioner of education must annually report to the
public and the legislature best practices implemented in those schools that demonstrate
high growth compared to the state growth target are identified as high performing under
federal expectations.

Subd. 5. **Improving graduation rates for students with emotional or behavioral
disorders.** (a) A district must develop strategies in conjunction with parents of students
with emotional or behavioral disorders and the county board responsible for implementing
sections 245.487 to 245.4889 to keep students with emotional or behavioral disorders in
school, when the district has a drop-out rate for students with an emotional or behavioral
disorder in grades 9 through 12 exceeding 25 percent.

(b) A district must develop a plan in conjunction with parents of students with
emotional or behavioral disorders and the local mental health authority to increase the
graduation rates of students with emotional or behavioral disorders. A district with a
drop-out rate for children with an emotional or behavioral disturbance in grades 9 through
12 that is in the top 25 percent of all districts shall submit a plan for review and oversight
to the commissioner.

**EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
later.

Sec. 23. Minnesota Statutes 2014, section 120B.36, as amended by Laws 2015, First
Special Session chapter 3, article 2, section 8, is amended to read:

**120B.36 SCHOOL ACCOUNTABILITY; APPEALS PROCESS.**

Subdivision 1. **School performance reports.** (a) The commissioner shall report
student academic performance data under section 120B.35, subdivision subdivisions
2 and 3; the percentages of students showing low, medium, and high growth under
section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and
connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework
under section 120B.35, subdivision 3, paragraph (c); the percentage of students under
section 120B.35, subdivision 3, paragraph (b), clause (2), whose progress and performance
levels are meeting career and college readiness benchmarks under sections 120B.30,
subdivision 1, and 120B.35, subdivision 3, paragraph (e); longitudinal data on the progress
of eligible districts in reducing disparities in students’ academic achievement and realizing racial and economic integration under section 124D.861; the acquisition of English, and where practicable, native language academic literacy, including oral academic language, and the academic progress of all English learners under section 124D.59, subdivisions 2 and 2a enrolled in a Minnesota public school course or program who are currently or were previously counted as English learners under section 124D.59; the total number of students by grade who correctly answered at least 30 of 50 civics test questions under section 120B.02, subdivision 3; two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff characteristics excluding salaries; student enrollment demographics; foster care status, including all students enrolled in a Minnesota public school course or program who are currently or were previously in foster care, student homelessness, and district mobility; and extracurricular activities. The report also must indicate a school’s adequate yearly progress status under applicable federal law, and must not set any designations applicable to high- and low-performing schools due solely to adequate yearly progress status.

(b) The commissioner shall develop, annually update, and post on the department Web site school performance reports.

c) The commissioner must make available performance reports by the beginning of each school year.

d) A school or district may appeal its adequate yearly progress status in writing to the commissioner within 30 days of receiving the notice of its status results in a form and manner determined by the commissioner and consistent with federal law. The commissioner’s decision to uphold or deny an appeal is final.

e) School performance data are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data. The commissioner shall annually post school performance reports to the department’s public Web site no later than September 1, except that in years when the reports reflect new performance standards, the commissioner shall post the school performance reports no later than October 1.

Subd. 2. Adequate yearly student progress and other data. (a) All data the department receives, collects, or creates under section 120B.11, governing the world’s best workforce or to determine adequate yearly progress status under Public Law 107-110, section 1116 federal expectations under the most recently reauthorized Elementary and Secondary Education Act, set state growth targets, and determine student growth, learning, and outcomes under section 120B.35 are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data.
(b) Districts must provide parents sufficiently detailed summary data to permit parents to appeal under Public Law 107-110, section 1116(b)(2) the most recently reauthorized federal Elementary and Secondary Education Act. The commissioner shall annually post federal adequate yearly progress data, expectations and state student growth, learning, and outcome data to the department's public Web site no later than September 1, except that in years when adequate yearly progress reflects data or federal expectations reflect new performance standards, the commissioner shall post federal adequate yearly progress data on federal expectations and state student growth data no later than October 1.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later, except the requirement to report civics test data is effective for the 2018-2019 school year and later.

Sec. 24. [121A.3951] STUDENT SUPPORT SERVICES PERSONNEL GRANT PROGRAM.

Subdivision 1. Definitions. For the purposes of sections 121A.395 to 121A.3952, the following terms have the meanings given them:

(1) "student support services personnel" includes individuals licensed as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota; and

(2) "new position" means a full-time or part-time student support services personnel position not under contract by a school at the start of the school year preceding the first year of funding under this section.

Subd. 2. Purpose. The student support services personnel grant program must:

(1) address shortages of student support services personnel within Minnesota schools;

(2) decrease caseloads for existing student support services personnel to ensure effective services;

(3) ensure K-12 students receive effective academic guidance and integrated and comprehensive services to improve student and school outcomes and students' career and college readiness;

(4) ensure student support services personnel serve within the scope and practice of their training and licensure;

(5) fully integrate learning supports, instruction, and school management within a comprehensive approach that facilitates interdisciplinary collaboration; and

(6) improve school safety and school climate to support academic success and career and college readiness.
Subd. 3. **Grant eligibility and application.** (a) To the extent funds are available, a school district, charter school, intermediate school district, or other cooperative unit may apply for a six-year grant under this section.

(b) The commissioner of education shall specify the form and manner of the grant application. In awarding grants, the commissioner must give priority to schools where student support services personnel positions do not currently exist. The commissioner also must consider at least the following when awarding grants:

1. existing student support services personnel caseloads;
2. school demographics;
3. Title 1 revenue;
4. Minnesota student survey data;
5. graduation rates; and
6. postsecondary completion rates.

Subd. 4. **Allowed uses; match requirements.** Grant recipients must use the grant under this section to hire a new position. A school that receives a grant must match the grant with local funds in each year of the grant. In each of the first four years of the grant, the local match equals $1 for every $1 awarded in the same year. In years five and six of the grant, the local match equals $3 for every $1 awarded in the same year. The local match may not include federal reimbursements attributable to the new position.

Subd. 5. **Report required.** By February 1 following any fiscal year in which a recipient receives a grant, it must submit a written report to the commissioner indicating how the new positions affected two or more of the following measures:

1. school climate;
2. attendance rates;
3. academic achievement;
4. career and college readiness; and
5. postsecondary completion rates.

Subd. 6. **Appropriation.** Any amounts appropriated from the general fund to the commissioner of education for support services grants under this section must be used for the purposes of this section. Notwithstanding section 16A.28, any appropriation for this purpose is available until June 30, 2024. Any balance remaining after June 30, 2024, cancels to the general fund.

Subd. 7. **Report.** By February 15, 2017, the commissioner must report to the education committees of the legislature about:

1. the expected use of this program by school districts;
2. the estimated annual funding necessary to implement this section; and
(3) the potential unfunded costs imposed on school districts by this section.

EFFECTIVE DATE. This section is effective for fiscal year 2018 and later.

Sec. 25. [121A.3952] STUDENT SUPPORT SERVICES PERSONNEL

TRAINING GRANTS.

Subdivision 1. Purpose. Student support services personnel training grants are to increase the number of postsecondary graduates qualified to serve as student support services personnel in Minnesota schools.

Subd. 2. Eligible institutions; application. (a) Any Minnesota institution of higher education offering a preparation program that meets the requirements for licensure of student support services personnel is eligible to apply for a six-year grant in the form and manner specified by the commissioner.

(b) The commissioner of education shall develop criteria for awarding grants consistent with this section.

Subd. 3. Allowed uses; match requirements. An institution that receives a grant under this section must use the grant to hire staff as necessary to meet the purposes of this section, and must match the grant with local funds in each year of the grant. In each of the first four years of the grant, the local match equals $1 for every $1 awarded in the same year. In years five and six of the grant, the local match equals $3 for every $1 awarded in the same year. A recipient must use the grant to supplement, not supplant, existing funding for the uses described under this subdivision.

Subd. 4. Report required. By February 1 following any fiscal year in which it received a grant, an institution must submit a written report to the commissioner indicating how the new positions affected:

(1) the number of students enrolled in programs leading to licensure of student support services personnel;

(2) the number of graduates of programs leading to licensure of student support services personnel; and

(3) employment outcomes for graduates of programs leading to licensure of student support services personnel, including employment in Minnesota schools.

Subd. 5. Appropriation. Any amounts annually appropriated from the general fund to the commissioner of education for grants received under this section must be used for the purposes of this section.
Sec. 26. Minnesota Statutes 2014, section 121A.53, is amended to read:

**121A.53 REPORT TO COMMISSIONER OF EDUCATION.**

Subdivision 1. **Exclusions and expulsions; physical assaults.** The school board must report through the department electronic reporting system each exclusion or expulsion and each physical assault of a district employee by a student within 30 days of the effective date of the dismissal action or assault to the commissioner of education. This report must include a statement of alternative educational services, or other sanction, intervention, or resolution in response to the assault given the pupil and the reason for, the effective date, and the duration of the exclusion or expulsion or other sanction, intervention, or resolution. The report must also include the student's age, grade, gender, race, and special education status.

Subd. 2. **Report.** (a) The school board must include state student identification numbers of affected pupils on all dismissal and other disciplinary reports required by the department. The department must report annually to the commissioner summary data on the number of dismissals and physical assaults of district employees by a student by age, grade, gender, race, and special education status of the affected pupils. All dismissal and other disciplinary reports must be submitted through the department electronic reporting system.

(b) The commissioner must aggregate the district data reported under this section and include the aggregated data, including aggregated data on physical assaults of a district employee by a student, in the annual school performance reports under section 120B.36.

**EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and later.

Sec. 27. Minnesota Statutes 2014, section 121A.61, subdivision 1, is amended to read:

Subdivision 1. **Required policy.** Each school board must adopt a written districtwide school discipline policy which includes written rules of conduct for students, minimum consequences for violations of the rules, and grounds and procedures for removal of a student from class. The policy must be developed in consultation with administrators, teachers, employees, pupils, parents, community members, law enforcement agencies, county attorney offices, social service agencies, and such other individuals or organizations as the board determines appropriate. The policy must be consistent with a teacher's authority for controlling and managing student behavior in the classroom under section 122A.42. A school site council may adopt additional provisions to the policy subject to the approval of the school board.
EFFECTIVE DATE. This section is effective for the 2016-2017 school year and
later.

Sec. 28. Minnesota Statutes 2014, section 121A.64, is amended to read:

121A.64 NOTIFICATION; TEACHERS’ LEGITIMATE EDUCATIONAL
INTEREST.

(a) A classroom teacher has a legitimate educational interest in knowing which
students placed in the teacher's classroom have a history of violent behavior, including any
documented physical assault of a district employee by the student, and must be notified
before such students are placed in the teacher's classroom.

(b) Representatives of the school board and the exclusive representative of the teachers shall discuss issues related to the model policy on student records adopted under Laws 1999, chapter 241, article 9, section 50, and any modifications adopted under Laws 2003, First Special Session chapter 9, for notifying classroom teachers and other school district employees having a legitimate educational interest in knowing about students with a history of violent behavior, including any documented physical assault of a district employee by students placed in classrooms. The representatives of the school board and the exclusive representative of the teachers also may discuss the need for intervention services or conflict resolution or training for staff related to placing students with a history of violent behavior in teachers' classrooms.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and
later.

Sec. 29. Minnesota Statutes 2014, section 122A.07, subdivision 2, is amended to read:

Subd. 2. Eligibility; board composition. Except for the representatives of higher education, school administrators, and the public, to be eligible for appointment to the Board of Teaching a person must be a teacher currently teaching in a Minnesota school and fully licensed for the position held and have at least five years teaching experience in Minnesota, including the two years immediately preceding nomination and appointment. Each nominee, other than a public nominee, must be selected on the basis of professional experience and knowledge of teacher education, accreditation, and licensure. The board must be composed of:

(1) six teachers who are currently teaching in a Minnesota school or who were teaching at the time of the appointment and who do not qualify under clause (2) or (3), at least four of whom must be teaching in a public school;
(2) one higher education representative, who must be a faculty member preparing
teachers;
(3) one school administrator; and
(4) three members of the public, two of whom must be present or former members
of school boards.

**EFFECTIVE DATE.** This section is effective the day following final enactment
and applies to all board appointments made after that date.

Sec. 30. Minnesota Statutes 2014, section 122A.09, is amended by adding a
subdivision to read:

**Subd. 3a. Board of Teaching; duties and responsibilities clarified.** Consistent
with sections 15.039 and 16B.37, the Board of Teaching is responsible for licensing
teachers and issuing special permissions to teach and must perform all licensure-related
duties and meet all licensure-related responsibilities under this section, among other
statutory licensure-related requirements. At the direction of the board, the department
may perform administrative functions related to issuing teacher licenses. To the extent a
conflict exists between this section and another section governing teacher licensing, the
provisions of this section prevail.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 31. Minnesota Statutes 2015 Supplement, section 122A.09, subdivision 4, is
amended to read:

**Subd. 4. License and rules.** (a) The board must adopt rules to license public school
teachers and interns subject to chapter 14.

(b) The board must require all candidates for teacher licensure to demonstrate a
passing score on a board-adopted skills examination in reading, writing, and mathematics,
as a requirement for initial teacher licensure, except that the board may issue up to four
temporary, one-year teaching licenses to an otherwise qualified candidate who has not yet
passed the board-adopted skills exam. The board must require colleges and universities
offering a board-approved teacher preparation program to provide remedial assistance to
persons who did not achieve a qualifying score on the board-adopted skills examination,
including those for whom English is a second language. The requirement to pass a
board-adopted reading, writing, and mathematics skills examination does not apply to
nonnative English speakers, as verified by qualified Minnesota school district personnel
or Minnesota higher education faculty, who, after meeting the content and pedagogy
requirements under this subdivision, apply for a teaching license to provide direct
instruction in their native language or world language instruction under section 120B.022,
subdivision 1. The Board of Teaching and the entity administering the content, pedagogy,
and skills examinations must allow any individual who produces documentation of a
disability in the form of an evaluation, 504 plan, or individual education program (IEP) to
receive the same testing accommodations on the content, pedagogy, and skills examinations
that the applicant received during their secondary or postsecondary education.

(c) The board must adopt rules to approve teacher preparation programs. The board,
upon the request of a postsecondary student preparing for teacher licensure or a licensed
graduate of a teacher preparation program, shall assist in resolving a dispute between the
person and a postsecondary institution providing a teacher preparation program when the
dispute involves an institution's recommendation for licensure affecting the person or the
person's credentials. At the board's discretion, assistance may include the application
of chapter 14.

(d) The board must provide the leadership and adopt rules for the redesign of teacher
education programs to implement a research based, results-oriented curriculum that
focuses on the skills teachers need in order to be effective. Among other components,
teacher preparation programs may use the Minnesota State Colleges and Universities
program model to provide a school-year-long student teaching program that combines
clinical opportunities with academic coursework and in-depth student teaching
experiences to offer students ongoing mentorship, coaching, and assessment, help to
prepare a professional development plan, and structured learning experiences. The board
shall implement new systems of teacher preparation program evaluation to assure program
effectiveness based on proficiency of graduates in demonstrating attainment of program
outcomes. Teacher preparation programs including alternative teacher preparation
programs under section 122A.245, among other programs, must include a content-specific,
board-approved, performance-based assessment that measures teacher candidates in three
areas: planning for instruction and assessment; engaging students and supporting learning;
and assessing student learning. The board's redesign rules must include creating flexible,
specialized teaching licenses, credentials, and other endorsement forms to increase
students' participation in language immersion programs, world language instruction,
career development opportunities, work-based learning, early college courses and careers,
career and technical programs, Montessori schools, and project and place-based learning,
among other career and college ready learning offerings.

(e) The board must adopt rules requiring candidates for initial licenses to pass an
examination of general pedagogical knowledge and examinations of licensure-specific
requirements.
teaching skills. The rules shall be effective by September 1, 2001. The rules under this
paragraph also must require candidates for initial licenses to teach prekindergarten or
elementary students to pass, as part of the examination of licensure-specific teaching
skills, test items assessing the candidates' knowledge, skill, and ability in comprehensive,
scientifically based reading instruction under section 122A.06, subdivision 4, and their
knowledge and understanding of the foundations of reading development, the development
of reading comprehension, and reading assessment and instruction, and their ability to
integrate that knowledge and understanding.

(f) The board must adopt rules requiring teacher educators to work directly with
elementary or secondary school teachers in elementary or secondary schools to obtain
periodic exposure to the elementary or secondary teaching environment.

(g) The board must grant licenses to interns and to candidates for initial licenses
based on appropriate professional competencies that are aligned with the board's licensing
system and students' diverse learning needs. All teacher candidates must have preparation
in English language development and content instruction for English learners in order to be
able to effectively instruct the English learners in their classrooms. The board must include
these licenses in a statewide differentiated licensing system that creates new leadership
roles for successful experienced teachers premised on a collaborative professional culture
dedicated to meeting students' diverse learning needs in the 21st century, recognizes the
importance of cultural and linguistic competencies, including the ability to teach and
communicate in culturally competent and aware ways, and formalizes mentoring and
induction for newly licensed teachers provided through a teacher support framework.

(h) The board must design and implement an assessment system which requires a
candidate for an initial license and first continuing license to demonstrate the abilities
necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board must receive recommendations from local committees as established
by the board for the renewal of teaching licenses. The board must require licensed teachers
who are renewing a continuing license to include in the renewal requirements further
preparation in English language development and specially designed content instruction
in English for English learners.

(j) The board must grant life licenses to those who qualify according to requirements
established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and
214.10. The board must not establish any expiration date for application for life licenses.

(k) The board must adopt rules that require all licensed teachers who are renewing
their continuing license to include in their renewal requirements further preparation in
the areas of using positive behavior interventions and in accommodating, modifying, and
adapting curricula, materials, and strategies to appropriately meet the needs of individual
students and ensure adequate progress toward the state's graduation rule.

(I) In adopting rules to license public school teachers who provide health-related
services for disabled children, the board shall adopt rules consistent with license or
registration requirements of the commissioner of health and the health-related boards who
license personnel who perform similar services outside of the school.

(m) The board must adopt rules that require all licensed teachers who are renewing
their continuing license to include in their renewal requirements further reading
preparation, consistent with section 122A.06, subdivision 4. The rules do not take effect
until they are approved by law. Teachers who do not provide direct instruction including, at
least, counselors, school psychologists, school nurses, school social workers, audiovisual
directors and coordinators, and recreation personnel are exempt from this section.

(n) The board must adopt rules that require all licensed teachers who are renewing
their continuing license to include in their renewal requirements at least one hour of
suicide prevention best practices in each licensure renewal period that are based on
nationally recognized evidence-based programs and practices, among the continuing
education credits required to renew a license under this paragraph, and further preparation,
first, in understanding the key warning signs of early-onset mental illness in children
and adolescents and then, during subsequent licensure renewal periods, preparation may
include providing a more in-depth understanding of students' mental illness trauma,
accommodations for students' mental illness, parents' role in addressing students' mental
illness, Fetal Alcohol Spectrum Disorders, autism, the requirements of section 125A.0942
governing restrictive procedures, and de-escalation methods, among other similar topics.

(o) The board must adopt rules by January 1, 2016, to license applicants under
sections 122A.23 and 122A.245. The rules must permit applicants to demonstrate their
qualifications through the board's recognition of a teaching license from another state
in a similar content field, completion of a state-approved teacher preparation program,
teaching experience as the teacher of record in a similar licensure field, depth of content
knowledge, depth of content methods or general pedagogy, subject-specific professional
development and contribution to the field, or classroom performance as determined by
documented student growth on normed assessments or documented effectiveness on
evaluations. The rules must adopt criteria for determining a "similar content field" and
"similar licensure area."

EFFECTIVE DATE. This section is effective the day following final enactment
and applies to teachers renewing their teaching licenses beginning August 1, 2017.
Sec. 32. Minnesota Statutes 2014, section 122A.09, subdivision 10, is amended to read:

Subd. 10. Variance Permissions. (a) Notwithstanding subdivision 9 and section 14.05, subdivision 4, the Board of Teaching may grant a variance to its rules upon application by a school district or a charter school for purposes of implementing experimental programs in learning or management.

(b) To enable a school district or a charter school to meet the needs of students enrolled in an alternative education program and to enable licensed teachers instructing those students to satisfy content area licensure requirements, the Board of Teaching annually may permit a licensed teacher teaching in an alternative education program to instruct students in a content area for which the teacher is not licensed, consistent with paragraph (a).

(c) A special education license variance issued by the Board of Teaching for a primary employer's low-incidence region shall be valid in all low-incidence regions.

(d) The Board of Teaching may issue a one-year professional license under paragraph (a), which the board may renew two times, to allow a person holding a full credential from the American Montessori Society, a diploma from Association Montessori Internationale, or a certificate of completion from a program accredited by the Montessori Accreditation Council for Teacher Education to teach in a Montessori program operated by a school district or charter school.

(e) The Board of Teaching may grant a one-year waiver, renewable two times, to allow individuals who hold a bachelor's degree from an accredited postsecondary institution, demonstrate occupational competency based on at least three years of full-time work experience in business or industry, and enroll and make satisfactory progress in an alternative preparation program leading to certification or licensure as a career and technical education instructor or teacher to teach career and technical education courses offered by a school district or charter school. Consistent with this paragraph and section 136F.361, the Board of Teaching must strongly encourage teacher preparation programs and institutions throughout Minnesota to develop alternative pathways for certifying and licensing high school career and technical education instructors and teachers, allowing such candidates to meet certification and licensure standards that demonstrate their content knowledge, classroom experience, and pedagogical practices and their qualifications based on a combination of occupational testing, professional certification or licensure, and long-standing work experience.

EFFECTIVE DATE. Paragraphs (d) and (e) are effective for the 2016-2017 through 2018-2019 school years.
Sec. 33. Minnesota Statutes 2014, section 122A.16, is amended to read:

**122A.16 HIGHLY QUALIFIED TEACHER DEFINED.**

(a) A qualified teacher is one holding a valid license, under this chapter, to perform the particular service for which the teacher is employed in a public school.

(b) For the purposes of the federal No Child Left Behind Act, a highly qualified teacher is one who holds a valid license under this chapter, including under section 122A.245, among other sections and is determined by local administrators as having highly qualified status according to the approved Minnesota highly qualified plan.

Teachers delivering core content instruction must be deemed highly qualified at the local level and reported to the state via the staff automated reporting system.

Sec. 34. Minnesota Statutes 2014, section 122A.245, subdivision 8, is amended to read:

Subd. 8. **Highly Qualified teacher.** A person holding a valid limited-term license under this section is a highly qualified teacher and the teacher of record under section 122A.16.

Sec. 35. Minnesota Statutes 2015 Supplement, section 122A.30, is amended to read:

**122A.30 EXEMPTION FOR TECHNICAL EDUCATION INSTRUCTORS.**

(a) Notwithstanding section 122A.15, subdivision 1, and upon approval of the local employer school board, a person who teaches in a part-time vocational or career and technical education program is exempt from a license requirement. Nothing in this section shall exclude licensed career and technical educators from the definition of "teacher" in section 122A.40, 122A.41, or 179A.03.

(b) This section expires June 30, 2020.

Sec. 36. Minnesota Statutes 2015 Supplement, section 122A.40, subdivision 8, is amended to read:

Subd. 8. **Development, evaluation, and peer coaching for continuing contract teachers.** (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district, consistent with paragraph (b), may develop a teacher evaluation and peer review process for probationary and continuing contract teachers through joint agreement. If a school board and the exclusive representative of the teachers do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the state teacher evaluation plan under paragraph (c). The process must include having trained
observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, and provide all enrolled students in a district or school with improved and equitable access to more effective and diverse teachers, the annual evaluation process for teachers:

(1) must, for probationary teachers, provide for all evaluations required under subdivision 5;

(2) must establish a three-year professional review cycle for each teacher that includes an individual growth and development plan, a peer review process, and at least one summative evaluation performed by a qualified and trained evaluator such as a school administrator. For the years when a tenured teacher is not evaluated by a qualified and trained evaluator, the teacher must be evaluated by a peer review;

(3) must be based on professional teaching standards established in rule;

(4) must coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) may provide time during the school day and school year for peer coaching and teacher collaboration;

(6) may include job-embedded learning opportunities such as professional learning communities;

(7) may include mentoring and induction programs for teachers, including teachers who are members of populations underrepresented among the licensed teachers in the district or school and who reflect the diversity of students under section 120B.35, subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school;

(8) must include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;

(9) must use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth and literacy that may include value-added models or student learning goals to determine 35 percent of teacher evaluation results;

(10) must use longitudinal data on student engagement and connection, and other student outcome measures explicitly aligned with the elements of curriculum for which...
teachers are responsible, including academic literacy, oral academic language, and
achievement of content areas of English learners;

(11) must require qualified and trained evaluators such as school administrators to
perform summative evaluations and ensure school districts and charter schools provide for
effective evaluator training specific to teacher development and evaluation;

(12) must give teachers not meeting professional teaching standards under clauses
(3) through (11) support to improve through a teacher improvement process that includes
established goals and timelines; and

(13) must discipline a teacher for not making adequate progress in the teacher
improvement process under clause (12) that may include a last chance warning,
termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or
other discipline a school administrator determines is appropriate.

Data on individual teachers generated under this subdivision are personnel data
under section 13.43. The observation and interview notes of peer coaches may only be
disclosed to other school officials with the consent of the teacher being coached.

(c) The department, in consultation with parents who may represent parent
organizations and teacher and administrator representatives appointed by their respective
organizations, representing the Board of Teaching, the Minnesota Association of School
Administrators, the Minnesota School Boards Association, the Minnesota Elementary
and Secondary Principals Associations, Education Minnesota, and representatives of
the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota
Chamber of Commerce, and Minnesota postsecondary institutions with research expertise
in teacher evaluation, must create and publish a teacher evaluation process that complies
with the requirements in paragraph (b) and applies to all teachers under this section and
section 122A.41 for whom no agreement exists under paragraph (a) for an annual teacher
evaluation and peer review process. The teacher evaluation process created under this
subdivision does not create additional due process rights for probationary teachers under
subdivision 5.

(d) Consistent with the measures of teacher effectiveness under this subdivision:

(1) for students in kindergarten through grade 4, a school administrator must not
place or approve the placement of a student in the classroom of a teacher who is in the
improvement process referenced in paragraph (b), clause (12), or has not had a summative
evaluation if, in the prior year, that student was in the classroom of a teacher who received
discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school
teaches that grade; and
(2) for students in grades 5 through 12, a school administrator must not place
or approve the placement of a student in the classroom of a teacher who is in the
improvement process referenced in paragraph (b), clause (12), or has not had a summative
evaluation if, in the prior year, that student was in the classroom of a teacher who received
discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school
teaches that subject area and grade.
All data created and used under this paragraph retains its classification under chapter 13.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and
later.

Sec. 37. Minnesota Statutes 2014, section 122A.40, subdivision 10, is amended to read:

Subd. 10. Negotiated unrequested leave of absence. The school board and the
exclusive bargaining representative of the teachers may must negotiate a plan providing for
unrequested leave of absence without pay or fringe benefits for as many teachers as may
be necessary because of discontinuance of position, lack of pupils, financial limitations, or
merger of classes caused by consolidation of districts. Failing to successfully negotiate such
a plan, the provisions of subdivision 11 shall apply. The negotiated plan must not include
provisions which would result in the exercise of seniority by a teacher holding a provisional
license, other than a vocational education license, contrary to the provisions of subdivision
11; paragraph (e), or the reinstatement of a teacher holding a provisional license, other
than a vocational education license, contrary to the provisions of subdivision 11; paragraph
(e). The provisions of section 179A.16 do not apply for the purposes of this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 38. Minnesota Statutes 2015 Supplement, section 122A.41, subdivision 5, is
amended to read:

Subd. 5. Development, evaluation, and peer coaching for continuing contract
teachers. (a) To improve student learning and success, a school board and an exclusive
representative of the teachers in the district, consistent with paragraph (b), may develop an
annual teacher evaluation and peer review process for probationary and nonprobationary
teachers through joint agreement. If a school board and the exclusive representative of
the teachers in the district do not agree to an annual teacher evaluation and peer review
process, then the school board and the exclusive representative of the teachers must
implement the state teacher evaluation plan developed under paragraph (c). The process
must include having trained observers serve as peer coaches or having teachers participate
in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching
practices and improve student learning and success, and provide all enrolled students in
a district or school with improved and equitable access to more effective and diverse
teachers, the annual evaluation process for teachers:

(1) must, for probationary teachers, provide for all evaluations required under
subdivision 2;

(2) must establish a three-year professional review cycle for each teacher that
includes an individual growth and development plan, a peer review process, and at least
one summative evaluation performed by a qualified and trained evaluator such as a school
administrator;

(3) must be based on professional teaching standards established in rule;

(4) must coordinate staff development activities under sections 122A.60 and
122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) may provide time during the school day and school year for peer coaching and
teacher collaboration;

(6) may include job-embedded learning opportunities such as professional learning
communities;

(7) may include mentoring and induction programs for teachers, including teachers
who are members of populations underrepresented among the licensed teachers in
the district or school and who reflect the diversity of students under section 120B.35,
subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school;

(8) must include an option for teachers to develop and present a portfolio
demonstrating evidence of reflection and professional growth, consistent with section
122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment
based on student work samples and examples of teachers' work, which may include video
among other activities for the summative evaluation;

(9) must use data from valid and reliable assessments aligned to state and local
academic standards and must use state and local measures of student growth and literacy
that may include value-added models or student learning goals to determine 35 percent of
teacher evaluation results;

(10) must use longitudinal data on student engagement and connection and other
student outcome measures explicitly aligned with the elements of curriculum for which
teachers are responsible, including academic literacy, oral academic language, and
achievement of English learners;
(11) must require qualified and trained evaluators such as school administrators to perform summative evaluations and ensure school districts and charter schools provide for effective evaluator training specific to teacher development and evaluation;

(12) must give teachers not meeting professional teaching standards under clauses through (11) support to improve through a teacher improvement process that includes established goals and timelines; and

(13) must discipline a teacher for not making adequate progress in the teacher improvement process under clause (12) that may include a last chance warning, termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate.

Data on individual teachers generated under this subdivision are personnel data under section 13.43. The observation and interview notes of peer coaches may only be disclosed to other school officials with the consent of the teacher being coached.

(c) The department, in consultation with parents who may represent parent organizations and teacher and administrator representatives appointed by their respective organizations, representing the Board of Teaching, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and representatives of the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with research expertise in teacher evaluation, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under this section and section 122A.40 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 2.

(d) Consistent with the measures of teacher effectiveness under this subdivision:

(1) for students in kindergarten through grade 4, a school administrator must not place or approve the placement of a student in the classroom of a teacher who is in the improvement process referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the prior year, that student was in the classroom of a teacher who received discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that grade; and

(2) for students in grades 5 through 12, a school administrator must not place or approve the placement of a student in the classroom of a teacher who is in the improvement process referenced in paragraph (b), clause (12), or has not had a summative
evaluation if, in the prior year, that student was in the classroom of a teacher who received discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that subject area and grade.

All data created and used under this paragraph retains its classification under chapter 13.

**EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and later.

Sec. 39. Minnesota Statutes 2014, section 122A.41, is amended by adding a subdivision to read:

Subd. 14a. *Negotiated unrequested leave of absence.* The school board and the exclusive bargaining representative of the teachers must negotiate a plan providing for unrequested leave of absence without pay or fringe benefits for as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts.

**EFFECTIVE DATE.** This section is effective July 1, 2017.

Sec. 40. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 1, is amended to read:

Subdivision 1. *Restructured pay system.* A restructured alternative teacher professional pay system is established under subdivision 2 to provide incentives to encourage teachers to improve their knowledge and instructional skills in order to improve student learning and for school districts, intermediate school districts, cooperative units, as defined in section 123A.24, subdivision 2, and charter schools to recruit and retain highly qualified teachers, encourage highly qualified teachers to undertake challenging assignments, and support teachers' roles in improving students' educational achievement.

Sec. 41. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 2, is amended to read:

Subd. 2. *Alternative teacher professional pay system.* (a) To participate in this program, a school district, intermediate school district, school site, or charter school must have an educational improvement plan under section 122A.413 a world's best workforce plan under section 120B.11 and an alternative teacher professional pay system agreement under paragraph (b). A charter school participant also must comply with subdivision 2a.

(b) The alternative teacher professional pay system agreement must:
(1) describe how teachers can achieve career advancement and additional compensation;

(2) describe how the school district, intermediate school district, school site, or charter school will provide teachers with career advancement options that allow teachers to retain primary roles in student instruction and facilitate site-focused professional development that helps other teachers improve their skills;

(3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, base at least 60 percent of any compensation increase on teacher performance using:

(i) schoolwide student achievement gains under section 120B.35 or locally selected standardized assessment outcomes, or both;

(ii) measures of student growth and literacy that may include value-added models or student learning goals, consistent with section 122A.40, subdivision 8, paragraph (b), clause (9), or 122A.41, subdivision 5, paragraph (b), clause (9), and other measures that include the academic literacy, oral academic language, and achievement of English learners under section 122A.40, subdivision 8, paragraph (b), clause (10), or 122A.41, subdivision 5, paragraph (b), clause (10); and

(iii) an objective evaluation program under section 122A.40, subdivision 8, paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2);

(4) provide for participation in job-embedded learning opportunities such as professional learning communities to improve instructional skills and learning that are aligned with student needs under section 122A.413 120B.11, consistent with the staff development plan under section 122A.60 and led during the school day by trained teacher leaders such as master or mentor teachers;

(5) allow any teacher in a participating school district, intermediate school district, school site, or charter school that implements an alternative pay system to participate in that system without any quota or other limit; and

(6) encourage collaboration rather than competition among teachers.

(c) The alternative teacher professional pay system may:

(1) include a hiring bonus or other added compensation for teachers who are identified as effective or highly effective under the local teacher professional review cycle and work in a hard-to-fill position or in a hard-to-staff school such as a school with a majority of students whose families meet federal poverty guidelines, a geographically isolated school, or a school identified by the state as eligible for targeted programs or services for its students; and
(2) include incentives for teachers to obtain a master's degree or other advanced
certification in their content field of licensure, pursue the training or education necessary
to obtain an additional licensure in shortage areas identified by the district or charter
school, or help fund a "grow your own" new teacher initiative.

Sec. 42. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 2b,
is amended to read:

Subd. 2b. Approval process. (a) Consistent with the requirements of this section
and sections 122A.413 and 122A.415, the department must prepare and transmit
to interested school districts, intermediate school districts, cooperatives, school sites,
and charter schools a standard form for applying to participate in the alternative teacher
professional pay system. The commissioner annually must establish three dates as
deadlines by which interested applicants must submit an application to the commissioner
under this section. An interested school district, intermediate school district, cooperative,
school site, or charter school must submit to the commissioner a completed application
executed by the district superintendent and the exclusive bargaining representative of the
teachers if the applicant is a school district, intermediate school district, or school site, or
executed by the charter school board of directors if the applicant is a charter school or
executed by the governing board if the applicant is a cooperative unit. The application
must include the proposed alternative teacher professional pay system agreement under
subdivision 2. The department must review a completed application within 30 days of
the most recent application deadline and recommend to the commissioner whether to
approve or disapprove the application. The commissioner must approve applications
on a first-come, first-served basis. The applicant's alternative teacher professional pay
system agreement must be legally binding on the applicant and the collective bargaining
representative before the applicant receives alternative compensation revenue. The
commissioner must approve or disapprove an application based on the requirements
under subdivisions 2 and 2a.

(b) If the commissioner disapproves an application, the commissioner must give the
applicant timely notice of the specific reasons in detail for disapproving the application.
The applicant may revise and resubmit its application and related documents to the
commissioner within 30 days of receiving notice of the commissioner's disapproval and
the commissioner must approve or disapprove the revised application, consistent with this
subdivision. Applications that are revised and then approved are considered submitted on
the date the applicant initially submitted the application.
Sec. 43. Minnesota Statutes 2014, section 122A.4144, is amended to read:

**122A.4144 SUPPLEMENTAL AGREEMENTS; ALTERNATIVE TEACHER PAY.**

Notwithstanding section 179A.20 or other law to the contrary, a school board and the exclusive representative of the teachers may agree to reopen a collective bargaining agreement for the purpose of entering into an alternative teacher professional pay system agreement under sections 122A.412, 122A.414; and 122A.415. Negotiations for a contract reopened under this section must be limited to issues related to the alternative teacher professional pay system.

Sec. 44. Minnesota Statutes 2014, section 122A.416, is amended to read:

**122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE FOR PERPICH CENTER FOR ARTS EDUCATION AND MULTIDISTRICT INTEGRATION COLLABORATIVES.**

Notwithstanding sections 122A.412, 122A.414, 122A.415, and 126C.10, multidistrict integration collaboratives and the Perpich Center for Arts Education are eligible to receive alternative teacher compensation revenue as if they were intermediate school districts. To qualify for alternative teacher compensation revenue, a multidistrict integration collaborative or the Perpich Center for Arts Education must meet all of the requirements of sections 122A.412, 122A.414; and 122A.415 that apply to intermediate school districts, must report its enrollment as of October 1 of each year to the department, and must annually report its expenditures for the alternative teacher professional pay system consistent with the uniform financial accounting and reporting standards to the department by November 30 of each year.

Sec. 45. Minnesota Statutes 2014, section 122A.42, is amended to read:

**122A.42 GENERAL CONTROL OF SCHOOLS.**

(a) The teacher of record shall have the general control and government of the school and classroom. When more than one teacher is employed in any district, one of the teachers may be designated by the board as principal and shall have the general control and supervision of the schools of the district, subject to the general supervisory control of the board and other officers.

(b) Consistent with paragraph (a), the teacher may remove students from class under section 121A.61, subdivision 2, for violent or disruptive conduct or other misconduct.
EFFECTIVE DATE. This section is effective for the 2016-2017 school year and
later.

Sec. 46. [122A.421] SCHOOL CLIMATE AND SAFETY.

Beginning with agreements effective July 1, 2017, and thereafter, all collective
bargaining agreements for teachers under chapter 179A may include school climate
and student and staff safety provisions related to establishing and maintaining safe and
supportive classrooms and school sites and a districtwide educational climate that is
conducive to student learning and a supportive working environment for teachers and
other staff.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 47. Minnesota Statutes 2015 Supplement, section 122A.60, subdivision 4, is
amended to read:

Subd. 4. Staff development report. (a) By October 15 of each year, the district
and site staff development committees shall write and submit a report of staff development
activities and expenditures for the previous year, in the form and manner determined by
the commissioner. The report, signed by the district superintendent and staff development
chair, must include assessment and evaluation data indicating progress toward district and
site staff development goals based on teaching and learning outcomes, including the
percentage of teachers and other staff involved in instruction who participate in effective
staff development activities under subdivision 3 as part of the district's world's best
workforce report under section 120B.11, subdivision 5.

(b) The report must break down expenditures for:

(1) curriculum development and curriculum training programs; and

(2) staff development training models, workshops, and conferences, and the cost of
releasing teachers or providing substitute teachers for staff development purposes.

The report also must indicate whether the expenditures were incurred at the district
level or the school site level, and whether the school site expenditures were made possible
by grants to school sites that demonstrate exemplary use of allocated staff development
revenue. These expenditures must be reported using the uniform financial and accounting
and reporting standards.

(c) The commissioner shall report the staff development progress and expenditure
data to the house of representatives and senate committees having jurisdiction over
education by February 15 each year.
Sec. 48. Minnesota Statutes 2014, section 122A.72, subdivision 5, is amended to read:

Subd. 5. Center functions. (a) A teacher center shall perform functions according to this subdivision. The center shall assist teachers, diagnose learning needs, experiment with the use of multiple instructional approaches, assess pupil outcomes, assess staff development needs and plans, and teach school personnel about effective pedagogical approaches. The center shall develop and produce curricula and curricular materials designed to meet the educational needs of pupils being served, by applying educational research and new and improved methods, practices, and techniques. The center shall provide programs to improve the skills of teachers to meet the special educational needs of pupils. The center shall provide programs to familiarize teachers with developments in curriculum formulation and educational research, including how research can be used to improve teaching skills. The center shall facilitate sharing of resources, ideas, methods, and approaches directly related to classroom instruction and improve teachers' familiarity with current teaching materials and products for use in their classrooms. The center shall provide in-service programs.

(b) Each teacher center must provide a professional development program to train interested and highly qualified elementary, middle, and secondary teachers, selected by the employing school district, to assist other teachers in that district with mathematics and science curriculum, standards, and instruction so that all teachers have access to:

(1) high quality professional development programs in mathematics and science that address curriculum, instructional methods, alignment of standards, and performance measurements, enhance teacher and student learning, and support state mathematics and science standards; and

(2) research-based mathematics and science programs and instructional models premised on best practices that inspire teachers and students and have practical classroom application.

Sec. 49. Minnesota Statutes 2014, section 123B.147, subdivision 3, is amended to read:

Subd. 3. Duties; evaluation. (a) The principal shall provide administrative, supervisory, and instructional leadership services, under the supervision of the superintendent of schools of the district and according to the policies, rules, and regulations of the school board, for the planning, management, operation, and evaluation of the education program of the building or buildings to which the principal is assigned.

(b) To enhance a principal's leadership skills and support and improve teaching practices, school performance, and student achievement for diverse student populations, including at-risk students, children with disabilities, English learners, and gifted students,
among others, a district must develop and implement a performance-based system for
anually evaluating school principals assigned to supervise a school building within the
district. The evaluation must be designed to improve teaching and learning by supporting
the principal in shaping the school's professional environment and developing teacher
quality, performance, and effectiveness. The annual evaluation must:

(1) support and improve a principal's instructional leadership, organizational
management, and professional development, and strengthen the principal's capacity in the
areas of instruction, supervision, evaluation, and teacher development by, among other
things, hiring, supporting, and retaining a diverse teaching staff that reflects the diversity
of students under section 120B.35, subdivision 3, paragraph (b), clause (2), who are
enrolled in the district or school;

(2) include formative and summative evaluations based on multiple measures of
student progress toward career and college readiness;

(3) be consistent with a principal's job description, a district's long-term plans and
goals, and the principal's own professional multiyear growth plans and goals, all of which
must support the principal's leadership behaviors and practices, rigorous curriculum,
school performance, students' improved and equitable access to effective and more diverse
teachers, and high-quality instruction;

(4) include on-the-job observations and previous evaluations;

(5) allow surveys to help identify a principal's effectiveness, leadership skills and
processes, and strengths and weaknesses in exercising leadership in pursuit of school
success;

(6) use longitudinal data on student academic growth as 35 percent of the evaluation
and incorporate district achievement goals and targets;

(7) be linked to professional development that emphasizes improved teaching and
learning, curriculum and instruction, student learning, and a collaborative professional
culture, and students' increased and equitable access to effective and more diverse
teachers, consistent with attaining the world's best workforce under section 120B.11,
subdivision 1, paragraph (c); and

(8) for principals not meeting standards of professional practice or other criteria
under this subdivision, implement a plan to improve the principal's performance and
specify the procedure and consequence if the principal's performance is not improved.

The provisions of this paragraph are intended to provide districts with sufficient
flexibility to accommodate district needs and goals related to developing, supporting,
and evaluating principals.
EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later.

Sec. 50. Minnesota Statutes 2014, section 123B.49, subdivision 4, is amended to read:

Subd. 4. Board control of extracurricular activities. (a) The board may take charge of and control all extracurricular activities of the teachers and children of the public schools in the district. Extracurricular activities means all direct and personal services for pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member. The board shall allow all resident pupils receiving instruction in a home school as defined in section 123B.36, subdivision 1, paragraph (a), and all resident pupils enrolled full-time in an online public school program to be eligible to fully participate in extracurricular activities on the same basis as public school students.

(b) Extracurricular activities have all of the following characteristics:

(1) they are not offered for school credit nor required for graduation;

(2) they are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;

(3) the content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

(c) If the board does not take charge of and control extracurricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions, or other student fund-raising events. The general fund must reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extracurricular activities must be recorded according to the Manual for Activity Fund Accounting. Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.

(d) If the board takes charge of and controls extracurricular activities, any or all costs of these activities may be provided from school revenues and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district.

(e) If the board takes charge of and controls extracurricular activities, the teachers or pupils in the district must not participate in such activity, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later.
Sec. 51. Minnesota Statutes 2015 Supplement, section 124D.231, subdivision 2, is amended to read:

Subd. 2. **Full-service community school program.** (a) The commissioner shall provide funding to eligible school sites to plan, implement, and improve full-service community schools. Eligible school sites must meet one of the following criteria:

(1) the school is on a development plan for continuous improvement under section 120B.35, subdivision 2; or

(2) the school is in a district that has an achievement and integration plan approved by the commissioner of education under sections 124D.861 and 124D.862.

(b) An eligible school site may receive up to $100,000 annually. School sites receiving funding under this section shall hire or contract with a partner agency to hire a site coordinator to coordinate services at each covered school site.

(c) Implementation funding of up to $20,000 must be available for up to one year for planning for school sites. At the end of this period, the school must submit a full-service community school plan, pursuant to paragraph (g).

(d) The commissioner shall dispense the funds to schools with significant populations of students receiving free or reduced-price lunches. Schools with significant homeless and highly mobile students shall also be a priority. The commissioner must also dispense the funds in a manner to ensure equity among urban, suburban, and greater Minnesota schools.

(e) A school site must establish a school leadership team responsible for developing school-specific programming goals, assessing program needs, and overseeing the process of implementing expanded programming at each covered site. The school leadership team shall have between 12 to 15 members and shall meet the following requirements:

(1) at least 30 percent of the members are parents and 30 percent of the members are teachers at the school site and must include the school principal and representatives from partner agencies; and

(2) the school leadership team must be responsible for overseeing the baseline analyses under paragraph (f). A school leadership team must have ongoing responsibility for monitoring the development and implementation of full-service community school operations and programming at the school site and shall issue recommendations to schools on a regular basis and summarized in an annual report. These reports shall also be made available to the public at the school site and on school and district Web sites.

(f) School sites must complete a baseline analysis prior to beginning programming as a full-service community school. The analysis shall include:

(1) a baseline analysis of needs at the school site, led by the school leadership team, which shall include the following elements:
(i) identification of challenges facing the school;
(ii) analysis of the student body, including:
(A) number and percentage of students with disabilities and needs of these students;
(B) number and percentage of students who are English learners and the needs of these students;
(C) number of students who are homeless or highly mobile; and
(D) number and percentage of students receiving free or reduced-price lunch and the needs of these students;
(iii) analysis of enrollment and retention rates for students with disabilities,
English learners, homeless and highly mobile students, and students receiving free or reduced-price lunch;
(iv) analysis of suspension and expulsion data, including the justification for such disciplinary actions and the degree to which particular populations, including, but not limited to, students of color, students with disabilities, students who are English learners, and students receiving free or reduced-price lunch are represented among students subject to such actions;
(v) analysis of school achievement data disaggregated by major demographic categories, including, but not limited to, race, ethnicity, English learner status, disability status, and free or reduced-price lunch status;
(vi) analysis of current parent engagement strategies and their success; and
(vii) evaluation of the need for and availability of wraparound services, including, but not limited to:
(A) mechanisms for meeting students' social, emotional, and physical health needs, which may include coordination of existing services as well as the development of new services based on student needs; and
(B) strategies to create a safe and secure school environment and improve school climate and discipline, such as implementing a system of positive behavioral supports, and taking additional steps to eliminate bullying;
(2) a baseline analysis of community assets and a strategic plan for utilizing and aligning identified assets. This analysis should include, but is not limited to, a documentation of individuals in the community, faith-based organizations, community and neighborhood associations, colleges, hospitals, libraries, businesses, and social service agencies who may be able to provide support and resources; and
(3) a baseline analysis of needs in the community surrounding the school, led by the school leadership team, including, but not limited to:
(i) the need for high-quality, full-day child care and early childhood education programs;
(ii) the need for physical and mental health care services for children and adults; and
(iii) the need for job training and other adult education programming.
(g) Each school site receiving funding under this section must establish at least two of the following types of programming:

(1) early childhood:
   (i) early childhood education; and
   (ii) child care services;

(2) academic:
   (i) academic support and enrichment activities, including expanded learning time;
   (ii) summer or after-school enrichment and learning experiences;
   (iii) job training, internship opportunities, and career counseling services;
   (iv) programs that provide assistance to students who have been truant, suspended, or expelled; and
   (v) specialized instructional support services;

(3) parental involvement:
   (i) programs that promote parental involvement and family literacy, including the Reading First and Early Reading First programs authorized under part B of title I of the Elementary and Secondary Education Act of 1965, United States Code, title 20, section 6361, et seq.;
   (ii) parent leadership development activities; and
   (iii) parenting education activities;

(4) mental and physical health:
   (i) mentoring and other youth development programs, including peer mentoring and conflict mediation;
   (ii) juvenile crime prevention and rehabilitation programs;
   (iii) home visitation services by teachers and other professionals;
   (iv) developmentally appropriate physical education;
   (v) nutrition services;
   (vi) primary health and dental care; and
   (vii) mental health counseling services;

(5) community involvement:
   (i) service and service-learning opportunities;
   (ii) adult education, including instruction in English as a second language; and
   (iii) homeless prevention services;
positive discipline practices; and

(7) other programming designed to meet school and community needs identified in the baseline analysis and reflected in the full-service community school plan.

(h) The school leadership team at each school site must develop a full-service community school plan detailing the steps the school leadership team will take, including:

(1) timely establishment and consistent operation of the school leadership team;

(2) maintenance of attendance records in all programming components;

(3) maintenance of measurable data showing annual participation and the impact of programming on the participating children and adults;

(4) documentation of meaningful and sustained collaboration between the school and community stakeholders, including local governmental units, civic engagement organizations, businesses, and social service providers;

(5) establishment and maintenance of partnerships with institutions, such as universities, hospitals, museums, or not-for-profit community organizations to further the development and implementation of community school programming;

(6) ensuring compliance with the district nondiscrimination policy; and

(7) plan for school leadership team development.

Sec. 52. Minnesota Statutes 2014, section 124D.59, is amended by adding a subdivision to read:

Subd. 9. **English learner data.** When data on English learners are reported for purposes of educational accountability, English learner data must include all pupils enrolled in a Minnesota public school course or program who are currently or were previously counted as English learners under this section.

**EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and later.

Sec. 53. Minnesota Statutes 2015 Supplement, section 124D.73, subdivision 4, is amended to read:

Subd. 4. **Participating school; American Indian school.** "Participating school" and "American Indian school" mean a school that:

(1) is not operated by a school district; and

(2) is eligible for a grant under federal Title [VI] of the Elementary and Secondary Education Act for the education of American Indian children.

Sec. 54. Minnesota Statutes 2014, section 124D.861, subdivision 1, is amended to read:
Subdivision 1. Program to close the academic achievement and opportunity gap; revenue uses. (a) The "Achievement and Integration for Minnesota" program is established to pursue racial and economic integration and increase student academic achievement, create equitable educational opportunities, and reduce academic disparities based on students' diverse racial, ethnic, and economic backgrounds in Minnesota public schools. 

(b) For purposes of this section and section 124D.862, "eligible district" means a district required to submit a plan to the commissioner under Minnesota Rules governing school desegregation and integration, or be a member of a multidistrict integration collaborative that files a plan with the commissioner has the meaning given in subdivision 1a.

(c) Eligible districts must use the revenue under section 124D.862 to pursue academic achievement and racial and economic integration through: (1) integrated learning environments that prepare all students to be effective citizens and enhance social cohesion; (2) policies and curricula and trained instructors, administrators, school counselors, and other advocates to support and enhance integrated learning environments under this section, including through magnet schools, innovative, research-based instruction, differentiated instruction, and targeted interventions to improve achievement; and (3) rigorous career and college readiness programs for underserved student populations, consistent with section 120B.30, subdivision 1; integrated learning environments to increase student academic achievement; cultural fluency, competency, and interaction; graduation and educational attainment rates; and parent involvement.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 55. Minnesota Statutes 2014, section 124D.861, is amended by adding a subdivision to read:

Subd. 1a. Definitions. (a) "Racially identifiable school within a district" means a school where the enrollment of protected students at the school within a district is more than 20 percentage points above the enrollment of protected students in the entire district for the grade levels served by that school.

(b) "Racially isolated school district" means a district where the districtwide enrollment of protected students exceeds the enrollment of protected students of any adjoining district by more than 20 percentage points.

(c) "School" means a site in a public school district serving any of kindergarten through grade 12. For purposes of this section and section 124D.862, school does not mean:

(1) a charter school under chapter 124E;

(2) an area learning center under section 123A.05;
(3) a public alternative program under section 126C.05, subdivision 15;
(4) a contracted alternative program under section 124D.69;
(5) a school site specifically designed to address limited English proficiency;
(6) a school site specifically designed to address the needs of students with an individualized education program (IEP); or
(7) a secure or nonsecure treatment facility licensed by the Department of Human Services or the Department of Corrections.

(d) "Eligible district" means:
(1) a racially isolated independent, common, or special school district;
(2) an adjoining, independent, common, or special school district that files a plan with the commissioner; or
(3) an independent, common, or special school district that is a member of a multidistrict integration collaborative that files a plan with the commissioner.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 56. Minnesota Statutes 2014, section 124D.861, as amended by Laws 2015, chapter 21, article 1, section 20, is amended to read:

124D.861 ACHIEVEMENT AND INTEGRATION FOR MINNESOTA.

Subdivision 1. Program to close the academic achievement and opportunity gap; revenue uses. (a) The "Achievement and Integration for Minnesota" program is established to pursue racial and economic integration and increase student academic achievement, create equitable educational opportunities, and reduce academic disparities based on students' diverse racial, ethnic, and economic backgrounds in Minnesota public schools.

(b) For purposes of this section and section 124D.862, "eligible district" means a district required to submit a plan to the commissioner under Minnesota Rules governing school desegregation and integration, or be a member of a multidistrict integration collaborative that files a plan with the commissioner.

(c) Eligible districts must use the revenue under section 124D.862 to pursue academic achievement and racial and economic integration through:

(1) integrated learning environments that give students improved and equitable access to effective and more diverse teachers, prepare all students to be effective citizens, and enhance social cohesion;

(2) policies and curricula and trained instructors, administrators, school counselors, and other advocates to support and enhance integrated learning environments under this section, including through magnet schools, innovative, research-based instruction,
differentiated instruction, improved and equitable access to effective and diverse teachers,
and targeted interventions to improve achievement; and

(3) rigorous career and college readiness programs and effective and more diverse
instructors for underserved student populations, consistent with section 120B.30,
subdivision 1; integrated learning environments to increase student academic achievement;
cultural fluency, competency, and interaction; graduation and educational attainment rates;
and parent involvement.

(d) Consistent with paragraph (c), eligible districts may adopt policies to increase the
diversity of district teachers and administrators using the revenue under section 124D.862
for recruitment, retention, and hiring incentives or additional compensation.

Subd. 2. Plan implementation; components. (a) The school board of each eligible
district must formally develop and implement a long-term plan under this section. The plan
must be incorporated into the district's comprehensive strategic plan under section 120B.11.
Plan components may include: innovative and integrated prekindergarten through grade 12
learning environments that offer students school enrollment choices; family engagement
initiatives that involve families in their students' academic life and success; professional
development opportunities for teachers and administrators focused on improving the
academic achievement of all students, including teachers and administrators who are
members of populations underrepresented among the licensed teachers or administrators
in the district or school and who reflect the diversity of students under section 120B.35,
subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school;
increased programmatic opportunities and effective and more diverse instructors focused
on rigor and college and career readiness for underserved students, including students
enrolled in alternative learning centers under section 123A.05, public alternative programs
under section 126C.05, subdivision 15, and contract alternative programs under section
124D.69, among other underserved students; or recruitment and retention of teachers and
administrators with diverse racial and ethnic backgrounds. The plan must contain goals for:

(1) reducing the disparities in academic achievement and in equitable access to
effective and more diverse teachers among all students and specific categories of students
under section 120B.35, subdivision 3, paragraph (b), excluding the student categories of
gender, disability, and English learners; and

(2) increasing racial and economic diversity and integration in schools and districts.
(b) Among other requirements, an eligible district must implement effective,
research-based interventions that include formative assessment practices to reduce the
disparities in student academic performance among the specific categories of students as
measured by student progress and growth on state reading and math assessments and
as aligned with section 120B.11.

(c) Eligible districts must create efficiencies and eliminate duplicative programs
and services under this section, which may include forming collaborations or a single,
seven-county metropolitan areawide partnership of eligible districts for this purpose.

Subd. 3. Public engagement; progress report and budget process. (a) To
receive revenue under section 124D.862, the school board of an eligible district must
incorporate school and district plan components under section 120B.11 into the district's
comprehensive integration plan.

(b) A school board must hold at least one formal annual hearing to publicly report
its progress in realizing the goals identified in its plan. At the hearing, the board must
provide the public with longitudinal data demonstrating district and school progress in
reducing the disparities in student academic performance among the specified categories
of students, in improving students' equitable access to effective and more diverse teachers,
and in realizing racial and economic diversity and integration, consistent with the district
plan and the measures in paragraph (a). At least 30 days before the formal hearing under
this paragraph, the board must post its plan, its preliminary analysis, relevant student
performance data, and other longitudinal data on the district's Web site. A district must
hold one hearing to meet the hearing requirements of both this section and section 120B.11.

(c) The district must submit a detailed budget to the commissioner by March 15 in
the year before it implements its plan. The commissioner must review, and approve or
disapprove the district's budget by June 1 of that year.

(d) The longitudinal data required under paragraph (b) must be based on student
growth and progress in reading and mathematics, as defined under section 120B.30,
subdivision 1, and student performance data and achievement reports from fully adaptive
reading and mathematics assessments for grades 3 through 7 beginning in the 2015-2016
school year under section 120B.30, subdivision 1a, and either (i) school enrollment
choices, (ii) the number of world language proficiency or high achievement certificates
awarded under section 120B.022, subdivision 1a, or the number of state bilingual and
multilingual seals issued under section 120B.022, subdivision 1b, or (iii) school safety
and students' engagement and connection at school under section 120B.35, subdivision 3,
paragraph (d). Additional longitudinal data may be based on: students' progress toward
career and college readiness under section 120B.30, subdivision 1; or rigorous coursework
completed under section 120B.35, subdivision 3, paragraph (c), clause (2).

Subd. 4. Timeline and implementation. A board must approve its plan and submit
it to the department by March 15. If a district that is part of a multidistrict council applies
for revenue for a plan, the individual district shall not receive revenue unless it ratifies
the plan adopted by the multidistrict council. Each plan has a term of three years. For
the 2014-2015 school year, an eligible district under this section must submit its plan to
the commissioner for review by March 15, 2014. For the 2013-2014 school year only,
an eligible district may continue to implement its current plan until the commissioner
approves a new plan under this section.

Subd. 5. **Evaluation.** The commissioner must evaluate the efficacy of district
plans in reducing the disparities in student academic performance among the specified
categories of students within the district, improving students' equitable access to effective
and diverse teachers, and in realizing racial and economic diversity and integration.
The commissioner shall report evaluation results to the kindergarten through grade 12
education committees of the legislature by February 1 of every odd-numbered year.

**EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
later.

Sec. 57. **[124D.8957] PREKINDERGARTEN THROUGH GRADE 12**

**PARENTAL RIGHTS CODED ELSEWHERE.**

Subdivision 1. **Scope.** The sections referred to in subdivisions 2 to 30 are codified
outside this section. Those sections include many but not all the sections governing
parental rights related to topics in prekindergarten through grade 12 education.

Subd. 2. **Compulsory instruction.** Parental rights related to compulsory instruction,
including the right to withdraw a child from school; to receive notice related to transfer of
disciplinary records; to excuse a child from school for illnesses, appointments, or religious
events; and the right of noncustodial parents to access school records and conferences,
among other rights, are governed by section 120A.22.

Subd. 3. **Longitudinal data.** The parental right to annual summary longitudinal
performance and progress data is governed by section 120B.31.

Subd. 4. **Antibullying.** Parental rights related to school district antibullying
policies, including the right to be involved in developing the policies, the right to be
notified of incidents of prohibited conduct, and the right to be informed of data practices
laws, are governed by section 121A.031.

Subd. 5. **Student discipline policies.** The parental right to notice in student
discipline policies of rights under the Safe and Supportive Minnesota Schools Act is
governed by section 121A.031.

Subd. 6. **Early childhood development screening.** Parental rights to certain notice
requirements related to early childhood development screening and to receive results of
early childhood development screening are governed by section 121A.17. The parental
right to provide consent before individual screening data may be disclosed to a school
district is governed by section 121A.18.

Subd. 7. Chemical abuse. The parental right to be informed of a reported case of
chemical abuse by a minor student is governed by section 121A.26.

Subd. 8. Pesticides. The parental right to be notified regarding the use of pesticides
at a school is governed by the Janet B. Johnson Parents' Right-to-Know Act under section
121A.30.

Subd. 9. Student dismissal. The parental right to notice and a meeting regarding
the removal of a student for more than ten days is governed by section 121A.45.

Subd. 10. Exclusion and expulsion. The parental right to be included in exclusion
or expulsion hearing procedures, including access to records, ability to testify and present
evidence, and inclusion in the student's readmission plan, is governed by section 121A.47.

Subd. 11. Exclusion and expulsion appeal. The parental right to notice of the right
to appeal an exclusion or expulsion decision is governed by section 121A.49.

Subd. 12. Reinstatement after termination of dismissal. The parental right to
notice of a student's right to be reinstated after the termination of dismissal is governed
by section 121A.54.

Subd. 13. Interdistrict cooperation. The parental right to notice of an
informational school board meeting relating to discontinuing interdistrict cooperation
is governed by section 123A.32.

Subd. 14. Background checks. The parental right to notice of a school's
background check policy for hiring teachers is governed by section 123B.03.

Subd. 15. Textbook fees. The parental right to notice of a school board's policy to
charge fees for textbooks lost or destroyed by students is governed by section 123B.37.

Subd. 16. Transportation privileges. The parental right to surrender a student's
privilege to receive transportation services from a school district is governed by section
123B.88.

Subd. 17. Nonresident district policies. The parental right to receive notice of: a
decision on an application by a student to attend school in a nonresident district; the
transportation policies of the nonresident district; and the right to be reimbursed for costs
of transportation to the nonresident district's border are governed by section 124D.03.

Subd. 18. Out-of-state districts. Under section 124D.04, the parental rights related
to a student attending a nonresident district under section 124D.03 apply to a student
attending an out-of-state district.
Subd. 19. **Free or reduced-price lunch eligibility.** The parental right to opt a child out of disclosing a child's eligibility for free or reduced-price lunch to the Department of Education and the Department of Human Services is governed by section 124D.1115.

Subd. 20. **Learning year programs.** The parental right to notice of optional learning year programs is governed by section 124D.128.

Subd. 21. **English learners programs.** Parental rights related to student enrollment in programs for English learners, including notice, withdrawal, and parental involvement, are governed by section 124D.60.

Subd. 22. **Charter school transportation.** The parental right to receive pupil transportation information from the charter school or school district providing transportation services to a charter school student is governed by section 123B.88.

Subd. 23. **Services for children with disabilities.** The parental right to be included in determining the appropriate and necessary services for students with disabilities is governed by section 125A.027.

Subd. 24. **Data on children with disabilities.** The parental right to notice and involvement regarding online reporting of data related to children with disabilities is governed by section 125A.085.

Subd. 25. **Special education alternative dispute resolution.** Parental rights regarding notice, participation, and due process related to special education alternative dispute resolution procedures are governed by section 125A.091.

Subd. 26. **Third-party reimbursement for children with disabilities.** The parental right to notice of a school district seeking reimbursement from medical assistance or MinnesotaCare for services rendered to a student with a disability is governed by section 125A.21.

Subd. 27. **Services provided to children with disabilities.** Parental rights related to services provided to students eligible for Part C services under the Individuals with Disabilities Education Act and the right to receive written materials regarding the implementation of Part C services are governed by sections 125A.42 and 125A.48. The parental right to use mediation to resolve disputes under section 125A.42 is governed by section 125A.43.

Subd. 28. **Minnesota State Academies discharge.** The parental right to notice of a student's discharge from the Minnesota State Academies is governed by section 125A.68.

Subd. 29. **Education records for military children.** The parental right to education records under the Interstate Compact on Educational Opportunity for Military Children is governed by section 127A.85.
Subd. 30. **Appeal adverse school board decision.** The parental right to appeal a
school board decision adversely affecting an academic program of an enrolled student is
governed by section 129C.10, subdivision 36.

Sec. 58. Minnesota Statutes 2014, section 124D.896, is amended to read:

**124D.896 DESEGREGATION/INTEGRATION AND INCLUSIVE**
**EDUCATION RULES.**

(a) The commissioner shall propose rules relating to desegregation/integration and
inclusive education, consistent with sections 124D.861 and 124D.862.

(b) In adopting a rule related to school desegregation/integration, the commissioner
shall address the need for equal educational opportunities for all students and racial
balance as defined by the commissioner.

(c) The commissioner must not adopt or enforce by rule a definition of "eligible
district" that expands or conflicts with the statutory definition of eligible district.

**EFFECTIVE DATE.** This section is effective the day following enactment.

Sec. 59. [125B.27] **STUDENT-USER PRIVACY IN EDUCATION RIGHTS.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision and section 13.32,
subdivision 1, apply to this section.

(b) "Online educational service" means a Web site, online service or application,
or mobile application accessible to a student or the student's parent or legal guardian
via the Internet for school purposes. An online educational service includes a cloud
computing service.

(c) "Operator" means a person, to the extent a person operates in this capacity, who
operates an online educational service with actual knowledge that it is used primarily for
school purposes and is designed and marketed for these purposes. An operator includes
a vendor.

(d) "Protected information" means personally identifiable information or materials
or information that is linked to personally identifiable information or materials, in any
media or format that is not publicly available, and:

(1) is created or provided by a student or the student's parent or legal guardian to
an operator in the course of using the operator's site, service, or application for school
purposes;

(2) is created or provided by an employee or agent of the school to an operator in the
course of using the operator's site, service, or application for school purposes; or
(3) is gathered by an operator through operating an online educational service and personally identifies a student, including but not limited to such information in the student's educational record or e-mail as first and last name, home address, telephone number, e-mail address, other information that allows physical or online contact, discipline records, test results, special education data, juvenile records, grades, evaluations, criminal records, health records, Social Security number, biometric information, disabilities, socioeconomic information, food purchases, political affiliations, religious information, text messages, documents, student identifiers, search activity, photos, voice recordings, or geolocation information.

(e) "School purposes" means purposes that (1) are directed by or customarily take place at the direction of the school, teacher, or school district or help administer school activities, including instruction in the classroom or at home, administrative activities, and collaboration between students, school personnel, or parents or legal guardians, or (2) are for the use and benefit of the school.

(f) "Student" means a student in prekindergarten through grade 12.

(g) "Vendor" means a person who enters into a contract with a school to provide an online educational service.

(h) "Targeted advertising" means presenting advertisements to a student where the advertisement is selected based on information obtained or inferred over time from that student's online behavior, use of applications, or covered information. It does not include advertising to a student at an online location based upon that student's current visit to that location, or in response to that student's request for information or feedback, without retaining that student's online activities or requests over time for the purpose of targeting subsequent ads.

Subd. 2. **Prohibited activities; targeted advertising; creating student profiles; sale or unauthorized disclosure of information.** (a) An operator must not engage in any of the following activities:

1. (i) targeted advertising on the operator's online educational service; or

2. (ii) targeted advertising on any other site, service, or application when the targeted advertising is based upon information, including protected information and unique identifiers, that the operator acquired or created because a student used that operator's online educational service;

3. (2) gather, use, or share information, including persistent unique identifiers, acquired or created by the operator's online educational service, to create a profile about a student, except to further school purposes. "Create a profile" does not include collecting or
 retaining account information that remains under the control of the student, the student's
parent or guardian, or a school offering any grades kindergarten through grade 12;

(3) sell a student's information, including protected information. This prohibition
does not apply to the purchase, merger, or other type of acquisition of an operator by
another person, if the operator or successor remains subject to this section with respect to
previously acquired student information or to national assessment providers if the provider
obtains the express written consent of the parent or student, given in response to clear and
conspicuous notice, solely to provide access to employment, educational scholarships or
financial aid, or postsecondary educational opportunities; or

(4) disclose protected information, unless the disclosure:

(i) is made to further the educational purpose of the site, service, or application,
provided the recipient of the protected information must not further disclose the
information unless to allow or improve operability or functionality of the operator's online
educational service;

(ii) is legally required to comply with subdivision 3;

(iii) is made to ensure legal and regulatory compliance, to respond to or participate
in a judicial process, or to protect the safety of users or others or the security or integrity
of the site;

(iv) is for a school, educational, or employment purpose and at the request of the
student or the student's parent or guardian, provided the information is not used or further
disclosed for any other purposes; or

(v) is made under a contract between the operator and a service provider. A contract
must prohibit the service provider from using protected information for any purpose
other than providing the contracted service to, or on behalf of, the operator; prohibit the
service provider from disclosing protected information provided by the operator to third
parties; and require the service provider to implement and maintain reasonable security
procedures and practices under subdivision 3.

(b) This subdivision does not prohibit the operator from using information to
maintain, develop, support, improve, or diagnose the operator's site, service, or application.

Subd. 3. Security procedures and practices. An operator shall:

(1) implement and maintain reasonable security procedures and practices appropriate
to the nature of the protected information and designed to protect that information from
unauthorized access, destruction, use, modification, or disclosure; and

(2) delete a student's protected information within a reasonable period of time and in
any case within 60 days if the school asks to delete the data under the control of the school.
Subd. 4. **Permissible disclosures.** Notwithstanding subdivision 2, paragraph (a), clause (4), an operator may use or disclose a student's protected information under the following circumstances:

(1) if other provisions of federal or state law require the operator to disclose the information and the operator complies with the requirements of federal or state law in protecting and disclosing that information;

(2) as long as no covered information is used for advertising or to create a profile on the student for purposes other than educational purposes or for legitimate research purposes:

(i) as required by state or federal law and subject to the restrictions under that law; or

(ii) as allowed by state or federal law and to further educational purposes or postsecondary educational purposes; and

(3) to a state or local educational agency, including schools and school districts, for school purposes as permitted by state or federal law.

Subd. 5. **Use of information by operator.** This section does not prohibit an operator from:

(1) using protected information within the operator's site, service, or application or other sites, services, or applications owned by the operator to improve educational products;

(2) using protected information that is not associated with an identified student to demonstrate the effectiveness of the operator's products or services, including marketing;

(3) sharing aggregate information that does not directly, indirectly, or in combination with other information identify a student in order to develop or improve educational sites, services, or applications;

(4) using recommendation engines to recommend to a student either of the following:

   (i) additional content relating to an educational, other learning, or employment opportunity purpose within an online site, service, or application if the recommendation is not determined in whole or in part by payment or other consideration from a third party; or

   (ii) additional services relating to an educational, other learning, or employment opportunity purpose within an online site, service, or application if the recommendation is not determined in whole or in part by payment or other consideration from a third party; or

(5) responding to a student's request for information or for feedback without the information or response being determined in whole or in part by payment or other consideration from a third party.

Subd. 6. **Certain activities not affected.** (a) This section does not limit the authority of a law enforcement agency to obtain information from an operator as authorized by law or under a court order.
(b) This section does not limit the ability of an operator to use student information, including protected information, for adaptive learning or customized student learning purposes.

(c) This section does not apply to general audience Web sites, general audience online services, general audience online applications, or general audience mobile applications, even if log-in credentials created for an operator's online educational service may be used to access those general audience Web sites, services, or applications.

(d) This section does not limit Internet service providers from providing Internet connectivity to schools or students and their families.

(e) This section does not prohibit an operator of a Web site, online service, online application, or mobile application from the general marketing of educational products to parents or legal guardians so long as the marketing is not based on the use of protected information obtained by the operator through the provision of services governed by this section.

(f) This section does not impose a duty upon a provider of an electronic store, gateway, marketplace, or other means of purchasing or downloading software or applications to review or enforce compliance with this section on those applications or software.

(g) This section does not impose a duty on a provider of an interactive computer service, as defined in United States Code, title 47, section 230, to review or enforce compliance with this section by third-party content providers.

(h) This section does not impede the ability of students to download, transfer, export, or otherwise save or maintain their own data or documents.

**EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and later.

Sec. 60. Minnesota Statutes 2015 Supplement, section 127A.05, subdivision 6, is amended to read:

Subd. 6. Survey of districts. The commissioner of education shall survey the state's school districts and teacher preparation programs and report to the education committees of the legislature by February 1 of each odd-numbered year on the status of teacher early retirement patterns, the access to effective and more diverse teachers who reflect the students under section 120B.35, subdivision 3, paragraph (b), clause (2), enrolled in a district or school, the teacher shortage, and the substitute teacher shortage, including patterns and shortages in subject areas and the economic development regions of the state. The report must also include: aggregate data on teachers' self-reported race and ethnicity; data on how districts are making progress in hiring teachers and substitutes in the areas.
of shortage; and a five-year projection of teacher demand for each district, taking into
account the students under section 120B.35, subdivision 3, paragraph (b), clause (2),
expected to enroll in the district during that five-year period.

Sec. 61. [127A.053] STATE ADMINISTRATION OF STUDENT SURVEY

INSTRUMENTS GENERALLY PROHIBITED.

Notwithstanding other law to the contrary, and with the exception of section
120B.35, subdivision 3, paragraph (d), the commissioner must not develop, coordinate,
assist with, or use a statewide student survey seeking information about a student's
activities, opinions, behaviors, or experiences related to substance abuse, tobacco use,
connections with family, healthy eating, high school students' gambling and sexual
activities, or out-of-school activities, among other topics.

Sec. 62. Minnesota Statutes 2014, section 127A.095, is amended to read:

127A.095 IMPLEMENTATION OF NO-CHILD-LEFT-BEHIND ACT

ELEMENTARY AND SECONDARY EDUCATION ACT.

Subdivision 1. Continued implementation. The Department of Education shall
continue to implement the federal No Child Left Behind Act, Public Law 107-110,
Elementary and Secondary Education Act without interruption.

Subd. 2. No Child Left Behind review. (a) The legislature intends to require
the Department of Education to conduct a comprehensive review of the consolidated
state plan the state submitted to the federal Department of Education to implement the
No Child Left Behind Act. The Minnesota Department of Education shall seek waivers
under paragraph (b). If the Department of Education is unable to obtain waivers under
paragraph (b), it should recommend in its report under paragraph (b) whether the state
should opt out of the No Child Left Behind Act.

(b) The commissioner, by January 15, 2008, shall report to the house of
representatives and senate committees having jurisdiction over kindergarten through grade
12 education policy and finance whether the department has received approval from
the federal Department of Education to:

(1) participate in the growth model pilot program;

(2) exclude from sanctions schools that have not made adequate yearly progress due
solely to a subgroup of students with disabilities not testing at a proficient level;

(3) identify a school as not making adequate yearly progress only after the school has
missed the adequate yearly progress targets in the same subgroup for two consecutive years;
(4) determine when to hold schools accountable for including an English learner in adequate yearly progress calculations;

(5) allow a district not making adequate yearly progress to offer supplemental educational services as an option before offering school choice;

(6) allow a district not making adequate yearly progress to also be the supplemental educational services provider;

(7) allow the state to maintain a subgroup size to 40 for the purposes of calculating adequate yearly progress for subgroups of English learners and subgroups of students with disabilities; and

(8) create flexibility to enable the state to define and identify highly qualified teachers.

Subd. 3. Department of Management and Budget certification. If the federal Department of Education does not transmit to the commissioner of education its approval of the conditions in subdivision 2, paragraph (b), the commissioner of management and budget shall certify and report to the legislature annually beginning January 1, 2008, the amount of federal revenue, if any, that the federal government may withhold as a result of a potential state decision to discontinue implementation of the No Child Left Behind Act Elementary and Secondary Education Act. The report shall also specify the intended purpose of the federal revenue and the amount of revenue that the federal government may withhold from the state, each school district, and each charter school in each fiscal year.

Sec. 63. Minnesota Statutes 2014, section 129C.10, subdivision 1, is amended to read:

Subdivision 1. Governance. (a) The board of the Perpich Center for Arts Education shall consist of 13 persons, one of whom must have served as a school administrator or as an elected school board member, one of whom is a locally or regionally recognized professional artist, one of whom is a secondary or postsecondary arts educator, and a licensed secondary arts teacher and a licensed secondary teacher teaching a core academic subject area, one of whom is a Crosswinds school employee, and one of whom is a Perpich Center for Arts Education employee. The members of the board shall be appointed by the governor with the advice and consent of the senate. At least one member must be appointed from each congressional district.

(b) A seven-member nominating committee composed of one member appointed by the Minnesota Association of School Administrators, one member appointed by the Minnesota State Arts Board, one member appointed by the Minnesota School Boards Association, one member appointed by the Minnesota Music Educators Association, one member appointed by the Arts Educators of Minnesota, one member appointed jointly by the exclusive representatives of the employees of the Perpich Center for Arts Education,
all six appointees of whom are subject to the governor's approval, and one member
appointed by the governor shall meet at least 60 days before the date on which the next
expiring board member's term is set to expire or within 15 days of receiving notice of a
board vacancy occurring at a time other than at the end of a board member's term to
prepare and submit a list of recommended candidates to the governor for the governor
to consider when appointing members of the Perpich Center for Arts Education Board.
Board members' terms must be staggered, consistent with section 15.0575, subdivision 2.
(c) All board members must complete board training requirements consistent with
section 127A.19.
(d) The terms of existing board members expire on September 1, 2016, but board
members may continue to serve until the governor appoints their successors.

EFFECTIVE DATE. This section is effective the day following final enactment
and applies to board member terms and appointments made after that date.

Sec. 64. [129C.12] PUBLIC INFORMATION.

Subdivision 1. Board minutes. The board must post the minutes of its meetings on
its official Web site and supplemental board materials, information, and budget documents
consistent with Minnesota Management and Budget financial management and reporting
requirements.

Subd. 2. Annual report. Consistent with section 123B.10, requiring school boards
to annually publish financial information on the district's official Web site, the board
must prepare and post on its official Web site an annual report summarizing Perpich
Center finances and, consistent with section 120B.36, subdivision 1, requiring school
and district accountability data, also post on its official Web site longitudinal data on
student enrollment and students' congressional districts of residence, graduation rates, and
postgraduation student placements.

Subd. 3. World's best workforce. Consistent with section 120B.11, governing the
world's best workforce, the board must prepare and post a comprehensive, long-term
strategic improvement plan and report plan strategies, activities, practices, and outcomes
on its official Web site.

Subd. 4. Audit report. (a) The Perpich Center for Arts Education is subject to an
annual independent audit. The audit must be conducted in compliance with generally
accepted governmental auditing standards and the federal Single Audit Act, if applicable.
The legislative auditor or Department of Education may conduct financial, program, or
compliance audits, and may direct the Perpich Center for Arts Education to include any
additional items in its annual independent audit.
(b) Upon approval from the Department of Education, the Perpich Center for Arts Education may combine this audit with its required annual audit of the Crosswinds Arts and Science School.

(c) The Perpich Center for Arts Education must post its most recent audit on its Web site.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 65. Minnesota Statutes 2015 Supplement, section 136F.302, subdivision 1, is amended to read:

Subdivision 1. **ACT college ready score; Minnesota Comprehensive Assessment career and college-ready benchmarks.** A state college or university may **must not** require an individual to take a remedial, noncredit course in a subject area if the individual has received a college ready ACT score or met a career and college-ready Minnesota Comprehensive Assessment benchmark in that subject area. Only the ACT scores an individual received and the Minnesota Comprehensive Assessment benchmarks an individual met in the previous five years are valid for purposes of this section. Each state college and university must post notice of the exemption from remedial course taking on its Web page explaining student course placement requirements.

**EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and later.

Sec. 66. [136F.3025] **MINNESOTA COMPREHENSIVE ASSESSMENTS; CAREER AND COLLEGE-READY BENCHMARKS.**

A state college or university must not require an individual to take a remedial, noncredit course in a subject area if the individual met a career and college-ready Minnesota Comprehensive Assessment benchmark in that subject area, consistent with section 120B.30, subdivision 1, paragraph (m). When notifying students and their families about test results under section 120B.30, subdivision 1, paragraph (m), the commissioner shall include a statement indicating that students who meet a career and college-ready Minnesota Comprehensive Assessment benchmark are not required to take a remedial, noncredit course at a Minnesota state college or university in the corresponding subject area.

**EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.
Sec. 67.  [136F.361] CAREER AND TECHNICAL EDUCATION

CERTIFICATION AND LICENSURE.

The Board of Trustees of the Minnesota State Colleges and Universities System, consistent with section 122A.09, subdivision 10, paragraph (e), must provide an alternative preparation program allowing individuals to be certified or licensed as a career and technical education instructor or teacher able to teach career and technical education courses offered by a school district or charter school. The Board of Trustees may locate the first program in the seven county metropolitan area.

EFFECTIVE DATE. This section is effective for the 2016-2017 academic year and later.

Sec. 68. Laws 2010, chapter 396, section 7, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective the day following final enactment, including subdivision 3 which is effective through the 2020-2021 school year.

Sec. 69. Laws 2012, chapter 263, section 1, as amended by Laws 2014, chapter 312, article 15, section 24, is amended to read:

Section 1. INNOVATIVE DELIVERY OF CAREER AND TECHNICAL EDUCATION PROGRAMS AND SERVICES AND SHARING OF DISTRICT RESOURCES, PILOT-PROJECT.

Subdivision 1. Establishment; requirements for participation. (a) A pilot-project program is established to improve student, career and college readiness, and school outcomes by allowing groups of school districts to work together in partnership with local and regional postsecondary institutions and programs, community institutions, and other private, public, for-profit, and nonprofit workplace partners to:

(1) provide innovative education programs and activities that integrate core academic and career and technical subjects in students' programs of study through coordinated secondary and postsecondary career and technical programs leading to an industry certification or other credential;

(2) provide embedded professional development for program participants;

(3) use performance assessments in authentic settings to measure students' technical skills and progress toward attaining an industry certification or other credential; and

(4) efficiently share district, institution, and workplace resources. The pilot project may last until June 30, 2018, or for up to five years, whichever is less, except that...
innovation partnerships formed during the period of the pilot project may continue past June 30, 2018, with the agreement of the partnership members.

(b) To participate in this pilot project program to improve student, career and college readiness, and school outcomes, a group of two or more school districts must collaborate with school staff and project partners and receive formal school board approval to form a partnership. The partnership must develop a plan to provide challenging programmatic options for students under paragraph (a), create professional development opportunities for educators and other program participants, increase student engagement and connection and challenging learning opportunities for diverse populations of students that are focused on employability skills and technical, job-specific skills related to a specific career pathway, or demonstrate efficiencies in delivering financial and other services needed to realize plan goals and objectives. The plan must establish include:

1. collaborative educational goals and objectives;
2. strategies and processes to implement those goals and objectives, including a budget process with periodic expenditure reviews;
3. valid and reliable measures, including performance assessments in authentic settings and progress toward attaining an industry certification or other credential, among other measures, to evaluate progress in realizing the goals and objectives;
4. an implementation timeline; and
5. other applicable conditions, regulations, responsibilities, duties, provisions, fee schedules, and legal considerations needed to fully implement the plan.

A partnership may invite additional districts or other participants under paragraph (a) to join the partnership during the pilot project term after notifying the commissioner.

(c) A partnership of interested districts must apply by February 1 of any year submit an application to the education commissioner in the form and manner the commissioner determines, consistent with the requirements of this section. The application must contain the formal approval adopted by the school board in each district to participate in the plan.

(d) Notwithstanding other law to the contrary, a participating school district under this section continues to: receive revenue and maintain its taxation authority; be organized and governed by an elected school board with general powers under Minnesota Statutes, section 123B.02; and be subject to employment agreements under Minnesota Statutes, chapter 122A, and Minnesota Statutes, section 179A.20; and district employees continue to remain employees of the employing school district.

(e) Participating districts must submit a biennial report by February 1 of each odd-numbered year to the committees of the legislature with jurisdiction over kindergarten through grade 12 education and the commissioner of education that includes performance
assessment, high school graduation, and career and technical certification data to show the
success of the partnership in preparing diverse populations of students for careers and jobs.

Subd. 2. **Commissioner's role.** Interested groups of school districts must submit
a completed application to the commissioner by March 1 of in any year in the form and
manner determined by the commissioner. The education commissioner must convene
an advisory panel composed of a teacher appointed by Education Minnesota, a school
principal appointed by the Minnesota Association of Secondary School Principals, a
school board member appointed by the Minnesota School Boards Association, and a
school superintendent appointed by the Minnesota Association of School Administrators
to advise the commissioner on applicants' qualifications to participate in this pilot project
program. The commissioner may select up to six qualified applicants under subdivision 1
by April 1 of any year to participate in this pilot project, ensuring an equitable
geographical distribution of project participants to the extent practicable. The
commissioner must select only those applicants that fully comply with the requirements in
subdivision 1. The commissioner must may terminate a project participant that
fails to effectively implement the goals and objectives contained in its application and
according to its stated timeline.

Subd. 3. **Pilot project evaluation.** Participating school districts must submit pilot
project data to the commissioner in the form and manner determined by the commissioner.
The education commissioner must analyze participating districts' progress in realizing
their educational goals and objectives to work together in providing innovative education
programs and activities and sharing resources. The commissioner must include the
analysis of best practices in a report to the legislative committees with jurisdiction over
kindergarten through grade 12 education finance and policy on the efficiency of this pilot
project. The commissioner shall submit an interim project report by February 1, 2016, and
must submit a final report to the legislature by February 1, 2019, recommending whether
or not to continue or expand the pilot project.

**EFFECTIVE DATE.** (a) This section is effective the day following final enactment
and applies to applications submitted after that date.

(b) Districts already approved for an innovation zone pilot project may continue to
operate under Laws 2012, chapter 263, section 1, as amended by Laws 2014, chapter
312, article 15, section 24.

Sec. 70. Laws 2015, chapter 69, article 1, section 3, subdivision 28, is amended to read:

Subd. 28. **Teacher Shortage Loan Forgiveness**

| Amount | 200,000 2,200,000 |
For the loan forgiveness program under Minnesota Statutes, section 136A.1791.

The commissioner may use no more than three percent of this appropriation to administer the program under this subdivision. The base for the program for fiscal year 2018 and later is $200,000.

**EFFECTIVE DATE.** This section is effective the day following final enactment, and any unexpended funds in fiscal year 2017 do not cancel and remain available until June 30, 2019.

Sec. 71. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 2, is amended to read:

Subd. 2. **Alternative compensation.** For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>78,331,000</td>
</tr>
<tr>
<td>2017</td>
<td>87,147,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $7,766,000 for 2015 and $70,565,000 for 2016.

The 2017 appropriation includes $7,840,000 for 2016 and $79,307,000 for 2017.

Sec. 72. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 6, is amended to read:

Subd. 6. **Reading Corps.** For grants to ServeMinnesota for the Minnesota Reading Corps under Minnesota Statutes, section 124D.42, subdivision 8:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6,125,000</td>
</tr>
<tr>
<td>2017</td>
<td>7,625,000</td>
</tr>
</tbody>
</table>

Any balance in the first year does not cancel but is available in the second year through June 30, 2019. The base appropriation for fiscal year 2018 and later years is $5,625,000.

Sec. 73. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 12, is amended to read:
Subd. 12. Collaborative urban educator. (a) For the collaborative urban educator grant program:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>780,000</td>
</tr>
<tr>
<td>2017</td>
<td>2,780,000</td>
</tr>
</tbody>
</table>

(b) Grants shall be awarded in equal amounts: $195,000 each year is for the Southeast Asian teacher program at Concordia University, St. Paul; $195,000 each year is for the collaborative urban educator program at the University of St. Thomas; $195,000 each year is for the Center for Excellence in Urban Teaching at Hamline University; and $195,000 each year is for the East Africa Student to Teacher program at Augsburg College.

In fiscal year 2017 only, in addition to the amounts awarded under this paragraph, the institutions identified in this paragraph may receive additional funding under paragraph (c).

Any balance in the first year does not cancel but is available in the second year.

Each institution shall prepare for the legislature, by January 15 of each year, a detailed report regarding the funds used. The report must include the number of teachers prepared as well as the diversity for each cohort of teachers produced.

(c) A Minnesota teacher preparation program, a district Grow Your Own teacher program, a nonconventional teacher preparation program under Minnesota Rules, part 8705.2300, or an alternative teacher preparation program under Minnesota Statutes, section 122A.245, may apply to the commissioner of education for a grant in the form and manner determined by the commissioner. The commissioner may award grants of up to two years to the extent funds are available. The commissioner annually must award at least 50 percent of grant funds to nonconventional and alternative preparation programs, giving priority to funding programs that:

(1) recruit, retain, graduate, and place teacher candidates who reflect the demographic diversity of the students enrolled in the district where the teacher candidate is placed and provide the teachers with well-qualified mentor teachers; or

(2) train and place teacher candidates in subject areas or regions of the state identified by the commissioner as shortage areas under Minnesota Statutes, section 127A.05, subdivision 6.

(d) A grant recipient under this subdivision, annually by January 15, must prepare a report for the commissioner of education and the kindergarten through grade 12 and higher education committees of the legislature in the form and manner determined by the commissioner. At a minimum, the report must detail grant expenditures for the previous year and summarize program outcomes based on teacher preparation and performance...
data consistent with paragraph (c) and Minnesota Statutes, section 122A.09, subdivision 4a, paragraph (b).

(e) This appropriation is available until June 30, 2019. The base appropriation for fiscal year 2018 and later is $780,000.

Sec. 74. Laws 2015, First Special Session chapter 3, article 3, section 15, subdivision 3, is amended to read:

Subd. 3. ACT test College entrance examination reimbursement. To reimburse districts for students who qualify under Minnesota Statutes, section 120B.30, subdivision 1, paragraph (e), for onetime payment of their ACT college entrance examination fee:

$ 3,011,000 .... 2016

$ 3,011,000 .... 2017

The Department of Education must reimburse districts for their onetime payments on behalf of students.

EFFECTIVE DATE. This section applies to college entrance exams administered after July 1, 2016.

Sec. 75. CONCURRENT ENROLLMENT TEACHER TRAINING GRANTS.

For fiscal years 2017, 2018, and 2019 only, a high school teacher required to obtain additional training to meet the partnering college's or university's academic requirements to teach a concurrent enrollment course in a high school under Minnesota Statutes, section 124D.09, may be reimbursed for tuition for up to 18 graduate credits in furthering this training. The commissioner shall establish application procedures and deadlines for receiving grant payments under this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 76. MINNESOTA'S FUTURE TEACHERS; GRANT PROGRAM.

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meanings given them.

(b) "Eligible institution" means a Minnesota public or nonpublic postsecondary institution under Minnesota Statutes, section 136A.101, subdivision 4, providing a Board of Teaching-approved teacher preparation program.

(c) "High needs area" means a shortage of teachers teaching in particular subject areas and, or in particular regions of the state, identified in the commissioner of education's...
biennial survey of districts under Minnesota Statutes, section 127A.05, subdivision 6, or
in another Department of Education survey on teacher shortages.

(d) "High needs school" means a school:

(1) designated as a low performing school under the most recently reauthorized
federal Elementary and Secondary Education Act; or

(2) above the state average in the concentration of students qualifying for free and
reduced-price lunch.

(e) "Qualified candidate" means a student enrolled in a Board of Teaching-approved
teacher preparation program at an eligible institution meeting the criteria in subdivision 3.

Subd. 2. Account. An account is established under the control of the commissioner
of the Office of Higher Education for grants to eligible institutions to provide financial
and other support to qualified candidates interested in teaching in a high needs area or
school. Unused funds appropriated to the Department of Education and transferred to the
Office of Higher Education in any fiscal year do not cancel and are available for the
purposes of this section.

Subd. 3. Program requirements. (a) The commissioner of the Office of Higher
Education, beginning in the 2017-2018 school year, shall award grants to eligible
institutions to help defray costs for qualified undergraduate and graduate candidates to
become licensed teachers. The commissioner shall determine the maximum grant award
available to each eligible institution, including the amount available for administrative and
support services, and other terms and conditions related to administering the grant program.

(b) The eligible institution must provide grant funding to its teacher preparation
programs for:

(1) reducing tuition, fees, and related education costs of qualified candidates;

(2) actively encouraging historically underserved students, students of color, and
students to pursue teaching in a high needs area or school;

(3) supporting qualified candidates to persist in and complete their teacher
preparation program and receive a full professional teaching license; and

(4) providing qualified candidates with experiential teaching opportunities.

(c) A qualified candidate under this section must submit to the teacher preparation
program a written statement indicating the qualified candidate's intent to teach in a high
needs school or area after completing the teacher preparation program and receiving
a teaching license.

(d) The teaching preparation program must provide mentoring to its qualified
candidates that includes at least:

(1) good communication with the qualified candidate throughout the program;
(2) a personalized learning plan for the qualified candidate that describes the
requirements for completing the program and obtaining a teaching position and the
resources available for overcoming obstacles to completing the program;
(3) connections to campus resources and professional and personal development
opportunities; and
(4) financial planning.

Sec. 77. GRANTS TO STUDENT TEACHERS IN SHORTAGE AREAS.
Subdivision 1. Establishment. The commissioner of the Office of Higher Education
must establish a grant program for student teaching stipends for low-income students
enrolled in a Board of Teaching-approved teacher preparation program who are interested
in teaching in a high needs subject area or region after graduating and receiving their
teaching license. For purposes of this section, "high needs subject area or region" means a
shortage of teachers teaching in particular subject areas or a shortage of teachers teaching
in particular regions of the state identified in the commissioner of education's biennial
survey of districts under Minnesota Statutes, section 127A.05, subdivision 6, or in another
Department of Education survey on teacher shortages.
Subd. 2. Eligibility To be eligible for a grant under this section, a teacher candidate
must:
(1) be enrolled in a Board of Teaching-approved teacher preparation program that
requires at least 12 weeks of student teaching and results in the teacher candidate receiving
a full professional teaching license enabling the licensee to teach in a high needs subject
area or region; and
(2) demonstrate financial need based on criteria established by the commissioner
under subdivision 3.
Subd. 3. Administration; repayment. (a) The commissioner must establish an
application process and other guidelines for implementing this program.
(b) The commissioner must determine each academic year the stipend amount based
on the amount of available funding and the number of eligible applicants.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 78. LEGISLATIVE STUDY GROUP ON EDUCATOR LICENSURE.
(a) A 12-member legislative study group on educator licensure is created to review
the 2016 Minnesota Teacher Licensure report prepared by the Office of the Legislative
Auditor on teacher licensing and submit a written report by February 1, 2017, to the
legislature recommending how to restructure Minnesota's teacher licensure system by
consolidating all teacher licensure activities into a single state entity to ensure transparency
and consistency or, at a minimum, by clarifying existing teacher licensure responsibilities
to provide transparency and consistency. In developing its recommendations, the study
group is encouraged to consider the tiered licensure system recommended in the legislative
auditor's report, among other recommendations. The study group is encouraged to begin
its work by consulting with teachers currently teaching in Minnesota school districts,
charter schools, and nonpublic schools and with out-of-state teachers currently licensed or
seeking a license in Minnesota. The study group is encouraged to identify and include in
its report any statutory changes needed to implement the study group recommendations.

(b) The legislative study group on educator licensure includes:

(1) six duly elected and currently serving members of the house of representatives,
three appointed by the speaker of the house and three appointed by the house minority
leader, and one of whom must be the current chair of the house of representatives
Education Innovation Policy Committee; and

(2) six duly elected and currently serving senators, three appointed by the senate
majority leader and three appointed by the senate minority leader, one of whom must be
the current chair of the senate Education Committee.

Only duly elected and currently serving members of the house of representatives or senate
may be study group members.

(c) The appointments must be made by June 1, 2016, and expire February 2, 2017.
If a vacancy occurs, the leader of the caucus in the house of representatives or senate to
which the vacating study group member belonged must fill the vacancy. The chair of the
house Education Innovation Policy Committee shall convene the first meeting of the study
group. The study group shall elect a chair or co-chairs from among the members at the
first meeting. The study group must meet periodically. The Legislative Coordinating
Commission shall provide technical and administrative assistance upon request.

(d) In reviewing the legislative auditor's report and developing its recommendations,
the study group must consult with the Board of Teaching, the licensing division of the
Department of Education, the Minnesota Board of School Administrators, and interested
and affected stakeholders.

(e) The study group expires on February 2, 2017, unless extended by law.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 79. BOARD OF TEACHING REPORT.
The Board of Teaching must prepare and submit a written report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education by February 1, 2017, listing all the statutory and rule requirements on teacher preparation, examinations, and training applicable to candidates for teacher licensure by type of license and all the statutory and rule requirements on continuing education applicable to teachers seeking to renew a full professional teaching license.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 80. **TEACHER LICENSING; PROCESS AND PROCEDURES.**

(a) The Board of Teaching must maintain an easily accessible, user-friendly online teacher licensure application system to enable all teacher licensure candidates to upload their teacher licensure applications electronically and to select the field and grade level for which they seek to be licensed. The online application system must list all types of teacher licenses and special permissions available, outline the specific requirements for each type of license and special permission, allow candidates to submit applications for all types of licenses and special permissions, and be clear and complete. The online application form must accommodate Minnesota and out-of-state candidates who completed a teacher preparation and training program at either an accredited college or university or a nontraditional teacher preparation and training program.

(b) When completely or partially denying a candidate a teaching license by issuing a license that is more limited than the license the candidate seeks, including a restricted license, the Board of Teaching, after consulting with the Department of Education if appropriate, must notify the candidate in writing clearly explaining: the reason for denying or partially denying the candidate a teaching license, including the specific deficiencies identified in the candidate's preparation or qualifications; the options available to the candidate to pursue the license the candidate seeks; and the candidate's right to appeal a denial. Under the two-step appeal process, a candidate may appeal a licensure decision to the Board of Teaching for review and, if the board does not find for the candidate, the candidate may submit a second appeal, requesting a contested case hearing under Minnesota Statutes, chapter 14.

(c) The Board of Teaching must grant a one-year full professional teaching license to otherwise qualified teacher licensure candidates who have satisfactorily completed a board-approved teacher preparation program in Minnesota, an accredited teacher preparation program in another state, or all the licensure-specific coursework and other requirements of a Board of Teaching-approved alternative teacher preparation and training program but have not yet successfully completed the content, pedagogy, and skills exams.
required for licensure. The board may renew a candidate's one-year full professional
teaching license under this paragraph up to three times. Teacher candidates who receive
a one-year full professional teaching license under this paragraph, while holding this
license, must continue to work to complete or pass the content, pedagogy, or skills exam
requirements they have not yet met.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 81. DATA SECURITY PLAN.

Subdivision 1. Plan components. To protect education and related workforce
data on individual students maintained by public schools, school districts, and state
agencies, and consistent with Minnesota Statutes, chapter 13, and sections 116J.401,
120B.11, 120B.12, 120B.30, 120B.31, 120B.35, 120B.36, 124D.49, 124D.52, 124D.861,
125A.085, and 127A.70, subdivision 2, among other student data-related provisions, the
commissioner of education must develop, publish, and oversee a detailed data security
plan combining administrative, physical, and technical safeguards that includes:

(1) requirements for:

(i) authorizing access to the kindergarten through grade 12 data systems containing
personally identifiable information on students;

(ii) authorizing data and system access for other agencies participating in the
Statewide Longitudinal Education Data System and the Early Childhood Longitudinal
Data System;

(iii) authenticating authorized access to and the processing of personally identifiable
information on students;

(iv) protecting data that describes a student or otherwise identifies a student gathered
by an operator of a Web site, online service, online application, or mobile application
that operates a site, service, or application for kindergarten through grade 12 school
purposes; and

(v) sanctions for employees, contractors, grantees, researchers, and vendors who
fail to comply with the guidelines;

(2) minimum privacy compliance standards based on reasonable and enforceable
security measures and practices, including background checks, training opportunities
and resources, physical and technical safeguards, and privacy and security agreements
for employees, contractors, grantees, researchers, and vendors with access to personally
identifiable information on students, among other privacy and security measures and
practices;
Section 82. STAFF DEVELOPMENT GRANTS FOR INTERMEDIATE SCHOOL
DISTRICTS AND OTHER COOPERATIVE UNITS.

(a) For fiscal years 2017, 2018, and 2019 only, an intermediate school district or
other cooperative unit providing instruction to students in federal instructional settings
of level 4 or higher qualifies for staff development grants equal to $1,000 times the
full-time equivalent number of licensed instructional staff and nonlicensed classroom
aides employed by the intermediate school district or other cooperative unit during the
previous fiscal year.

(b) Staff development grants received under this section must be used for activities
related to enhancing services to students who may have challenging behaviors or mental
health issues or be suffering from trauma. Specific qualifying staff development activities
include but are not limited to:

(1) proactive behavior management;
(2) personal safety training;
(3) de-escalation techniques; and
(4) adaptation of published curriculum and pedagogy for students with complex
learning and behavioral needs.
(c) The grants received under this section must be reserved and spent only on the
activities specified in this section. If funding for purposes of this section is insufficient,
the commissioner must prorate the grants.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2017
and later.

Sec. 83. STUDENT DISCIPLINE WORKING GROUP.

(a) A student discipline working group is created to review the substance,
application, and effect of Minnesota's Pupil Fair Dismissal Act under Minnesota Statutes,
sections 121A.40 to 121A.56, and related student discipline provisions in Minnesota Statutes, chapter 121A, and submit written recommendations to the legislature by February 1, 2017, on improving disciplinary policies, practices, and procedures as they affect students and school officials and the effects on student outcomes.

(b) Consistent with paragraph (a), the working group must analyze:

(1) available summary data on elementary and secondary students' removal from class, suspensions, exclusions, expulsions, and other disciplinary measures, disaggregated by categories of race, ethnicity, poverty, disability, homelessness, English language proficiency, gender, age, and foster care status;

(2) the meaning and effect of "willful" in establishing grounds for dismissal under Minnesota Statutes, section 121A.45;

(3) the impact of positive behavioral interventions and supports and restorative practices on student behavior, student outcomes, and the school climate, including student engagement and connection, among other school climate measures;

(4) due process rights of students facing dismissal, including changes needed to ensure students' due process rights are fully observed and protected;

(5) students' need for and access to professional support service providers such as school counselors, school social workers, school psychologists, and mental health professionals;

(6) the presence of school resource officers in school buildings, their role in affecting student discipline, and their impact on teacher safety and student outcomes;

(7) policies for retaining and destroying student disciplinary data; and

(8) other related school discipline matters that are of concern to working group members.

(c) By June 1, 2016, the executive director of each of the following organizations shall appoint one representative to serve as a member of the working group: the Minnesota School Boards Association; the Minnesota Association of School Administrators;
Education Minnesota; the Minnesota Board of Peace Officer Standards and Training; the
Minnesota Disability Law Center; the National Alliance of Mental Illness Minnesota;
the Parent Advocacy Coalition for Educational Rights (PACER) Center; the Minnesota
Association of Secondary School Principals; the Minnesota Elementary School Principals'
Association; the Association of Metropolitan School Districts; the Minnesota Rural
Education Association; the Minnesota School Counselors Association; the Minnesota
School Psychologists Association; the School Nurse Organization of Minnesota; the St.
Paul Special Education Advisory Council; the Solutions Not Suspensions Coalition; the
Minnesota Education Equity Partnership; MinnCAN; Students for Education Reform; the
Minnesota Youth Council; Educators 4 Excellence; the African American Leadership
Forum; the American Indian Opportunities Industrialization Center; the Minnesota
Association of Charter Schools; the Minnesota Indian Affairs Council; and the Minnesota
School Social Workers Association. Six legislators shall also be appointed by June
1, 2016, and serve as members of the working group: three duly elected and currently
serving senators, two appointed by the senate majority leader and one appointed by the
senate minority leader; and three duly elected and currently serving members of the
house of representatives, two appointed by the speaker of the house and one appointed
by the house of representatives minority leader. Only duly elected and currently serving
members of the senate or house of representatives may be working group members. If a
vacancy occurs, the leader of the caucus in the senate or house of representatives to which
the vacating member belonged must fill the vacancy. Working group members must seek
advice from experts and stakeholders in developing their recommendations.

(d) The commissioner of education, or the commissioner's designee, must convene
the first meeting of the working group. The working group must select a chair or cochairs
from among its members at the first meeting. The working group must meet periodically.
The commissioner must provide technical and administrative assistance to the working
group upon request. Working group members are not eligible to receive expenses or per
diem payments for serving on the working group.

(e) The working group expires February 2, 2017.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 84. **NORTHWEST REGIONAL PARTNERSHIP CONCURRENT
ENROLLMENT PROGRAM.**

Subdivision 1. **Definition.** "Northwest Regional Partnership" means a voluntary
association of the Lakes Country Service Cooperative, the Northwest Service Cooperative,
and Minnesota State University-Moorhead that works together to provide coordinated higher learning opportunities for teachers.

Subd. 2. Establishment. Lakes Country Service Cooperative, in consultation with the Northwest Service Cooperative, may develop a continuing education program to allow eligible teachers to attain the requisite graduate credits necessary to be qualified to teach secondary school courses for postsecondary credit.

Subd. 3. Curriculum development. Minnesota State University-Moorhead may develop an online education curriculum to allow eligible secondary school teachers to attain graduate credit at a reduced credit rate.

Subd. 4. Funding for course development; scholarships; stipends. Lakes Country Service Cooperative, in consultation with the other members of the Northwest Regional Partnership, shall:

(1) provide funding for course development for up to 18 credits in applicable postsecondary subject areas;

(2) provide scholarships for eligible teachers to enroll in the continuing education program; and

(3) develop criteria for awarding educator stipends on a per-credit basis to incentivize participation in the continuing education program.

Subd. 5. Participant eligibility. Participation in the continuing education program is reserved for teachers of secondary school courses for postsecondary credit. Priority must be given to teachers employed by a school district that is a member of the Lakes Country Service Cooperative or Northwest Service Cooperative. Teachers employed by a school district that is not a member of the Lakes Country Service Cooperative or Northwest Service Cooperative may participate in the continuing education program as space allows. A teacher participating in this program is ineligible to participate in other concurrent enrollment teacher training grant programs.

Subd. 6. Private funding. The partnership may receive private resources to supplement the available public money. All money received shall be administered by the Lakes Country Service Cooperative.

Subd. 7. Report required. Northwest Regional Partnership must submit an annual report by January 15 of each year on the progress of its activities to the legislature, commissioner of education, and Board of Trustees of the Minnesota State Colleges and Universities. The annual report shall contain a financial report for the preceding year. The first report is due no later than January 15, 2018.

EFFECTIVE DATE. This section is effective July 1, 2016.
Sec. 85. **GROW YOUR OWN TEACHER RESIDENCY PILOT PROGRAM.**

(a) For fiscal years 2017, 2018, and 2019 only, a nonconventional teacher residency pilot program under Minnesota Statutes, section 122A.09, subdivision 10, paragraph (a), is established to provide tuition scholarships or stipends to enable education or teaching assistants or other nonlicensed district employees who hold a bachelor's degree from an accredited college or university and who seek an elementary education license or a license in a subject area for which a shortage exists under Minnesota Statutes, section 127A.05, subdivision 6, to participate in a Board of Teaching-approved nonconventional teacher residency program under this section.

(b) School districts or charter schools not participating under paragraph (a) may use funds under this section to pay for tuition scholarships or stipends on behalf of paraprofessionals employed in the school or district who are enrolled in a Board of Teaching-approved teacher preparation program and who are making satisfactory progress toward attaining teacher licensure.

(c) The commissioner of education and the commissioner of the Office of Higher Education must evaluate the outcomes and efficacy of the program and, by February 1, 2017, submit written program recommendations to the committees of the legislature with jurisdiction over kindergarten through grade 12 education and higher education, including how to continue and expand the program throughout Minnesota.

Sec. 86. **PILOT PROJECT TO HELP STRUGGLING STUDENTS READ AT GRADE LEVEL.**

(a) A pilot project for fiscal year 2017 is established to help struggling underperforming students in grades 3 through 5 read at grade level and close the academic achievement gap. Under this pilot project, the commissioner of education shall make a grant to a qualified and experienced nonprofit organization to provide three Minnesota public schools with: a research-based intervention software program demonstrated to effectively use singing to improve students' reading ability; technical training and staff to install project software; on-site professional development and instructional monitoring and support for school staff and students; preproject and postproject online reading assessments developed by the University of Minnesota; and other project management services. A participating school must identify a trained supervisor and other school staff to work with students using the software in the computer lab and coordinate and review students' weekly lab use.
(b) The commissioner, in consultation with the nonprofit organization receiving the
grant, must select three public elementary schools, located in an urban, suburban, and
greater Minnesota school district, respectively, to participate in the project based on:

(1) the number and percent of enrolled students in grades 3 through 5 whose
proficiency on the Minnesota Comprehensive Assessment in reading is below grade level
and who are eligible for free or reduced-price lunch;

(2) the interest of the school principal, teachers, and other school staff in
participating in the project; and

(3) the availability of a computer lab for the project and its software.

(c) The nonprofit organization receiving the grant must submit a
commissioner-reviewed report to the committees of the legislature with jurisdiction over
kindergarten through grade 12 education by February 1, 2017, using summary data to
compare and evaluate the reading gains of the third to fifth grade students in the three
schools that participated in the project and third to fifth grade students in schools that did
not participate in the project and recommend whether to continue or expand the project.

**EFFECTIVE DATE.** This section is effective July 1, 2016.

Sec. 87. LEGISLATIVE AUDITOR.

The legislative auditor is requested to perform a financial audit of the Perpich Center
for Arts Education in calendar year 2016, and at least every four calendar years thereafter.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 88. STATEWIDE SCHOOL TEACHER AND ADMINISTRATOR JOB

BOARD.

For fiscal years 2017, 2018, and 2019 only, the Board of Teaching must contract for
an electronic statewide school teacher and administrator job board. The job board must
allow school districts to post job openings for prekindergarten through grade 12 teaching
and administrative positions.

**EFFECTIVE DATE.** This section is effective July 1, 2016.

Sec. 89. CERTIFICATION INCENTIVE REVENUE.

Subdivision 1. Qualifying certificates. As soon as practicable, the commissioner
of education, in consultation with the Governor's Workforce Development Council
established under Minnesota Statutes, section 116L.665, and the P-20 education
partnership operating under Minnesota Statutes, section 127A.70, must establish the list of
qualifying career and technical certificates and post the names of those certificates on the
Department of Education's Web site. The certificates must be in fields where occupational
opportunities exist.

Subd. 2. School district participation. (a) A school board may adopt a policy
authorizing its students in grades 9 through 12, including its students enrolled in
postsecondary enrollment options courses under Minnesota Statutes, section 124D.09, the
opportunity to complete a qualifying certificate. The certificate may be completed as part
of a regularly scheduled course.

(b) A school district may register a student for any assessment necessary to complete
a qualifying certificate and pay any associated registration fees for its students.

Subd. 3. Incentive funding. (a) A school district's career and technical certification
aid equals $500 times the district's number of students enrolled during the current fiscal
year who have obtained one or more qualifying certificates during the current fiscal year.

(b) The statewide total certificate revenue must not exceed $1,000,000. The
commissioner must proportionately reduce the initial aid provided under this subdivision
so that the statewide aid cap is not exceeded.

Subd. 4. Reports to the legislature. (a) The commissioner of education must
report to the committees of the legislature with jurisdiction over kindergarten through
grade 12 education and higher education by February 1, 2017, on the number and types
of certificates authorized for the 2016-2017 school year. The commissioner must also
recommend whether the pilot program should be continued.

(b) By February 1, 2018, the commissioner of education must report to the
committees of the legislature with jurisdiction over kindergarten through grade 12
education and higher education about the number and types of certificates earned by
Minnesota's students during the 2016-2017 school year.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 90. APPROPRIATIONS.

Subdivision 1. Department of Education. The sums indicated in this section
are appropriated from the general fund to the Department of Education for the fiscal
year designated.
Subd. 2. **Staff development grants for cooperative units.** For payment of staff development grants to intermediate school districts and other cooperative units providing instruction to students in federal instructional settings of level 4 or higher:

$ 6,000,000 ..... 2017

This is a onetime appropriation. This appropriation is available until June 30, 2019. To the extent practicable, this appropriation should fund staff development grants for intermediate school districts and other cooperative units for fiscal years 2017, 2018, and 2019.

Subd. 3. **Northwest Regional Partnership concurrent enrollment program.** For a grant to the Lakes Country Service Cooperative to operate a continuing education program:

$ 3,000,000 ..... 2017

This is a onetime appropriation. This appropriation is available until June 30, 2019.

Subd. 4. **Grow Your Own tuition scholarships and stipends.** For a school district to provide tuition scholarships and stipends to eligible employees under the Grow Your Own teacher residency pilot program:

$ 1,500,000 ..... 2017

This is a onetime appropriation. This appropriation is available until June 30, 2019.

Subd. 5. **Sanneh Foundation.** For a grant to the Sanneh Foundation:

$ 1,500,000 ..... 2017

Funds appropriated in this section are to provide all-day, in-school, and after-school academic and behavioral interventions for low-performing and chronically absent students with a focus on low-income students and students of color throughout the school year and during the summer to decrease absenteeism, encourage school engagement, and improve grades and graduation rates. Funds appropriated in this section may be used to hire and train staff in areas of youth mentorship, behavior support, and academic tutoring in group and individual settings and to promote pathways for teachers of color.

This is a onetime appropriation. This appropriation is available until June 30, 2019.

Subd. 6. **Western Minnesota mobile manufacturing lab.** For a transfer to the Pine to Prairie Cooperative Center:

$ 900,000 ..... 2017

The funds in this subdivision must be used to establish a western Minnesota mobile labs program, including manufacturing and welding labs to create interest in these careers for secondary students. The program must be operated by Pine to Prairie Cooperative.
Center in collaboration with Northland Community and Technical College, Lakes Country Service Cooperative, and Minnesota State Community and Technical College.

This is a onetime appropriation. This appropriation is available until June 30, 2019.

Subd. 7. Music pilot project appropriation. For a grant to a qualified nonprofit organization to provide three Minnesota public elementary schools with a research-based intervention software program that effectively uses singing to improve students' reading ability:

$ 100,000 ..... 2017

This is a onetime appropriation.

Subd. 8. School crisis response teams. For school crisis response teams under Minnesota Statutes, section 119A.035:

$ 100,000 ..... 2017

This is a onetime appropriation. This appropriation is available until June 30, 2019.

Subd. 9. Positive Behavioral Interventions and Supports (PBIS). For implementation of schoolwide Positive Behavioral Interventions and Supports (PBIS) in schools and districts throughout Minnesota to reduce the use of restrictive procedures and increase use of positive practices:

$ 2,750,000 ..... 2017

This is a onetime appropriation.

Subd. 10. Girls in Action grant. For a grant to the Girls in Action program to enable Girls in Action to continue to provide and to expand Twin Cities metropolitan area school and community-based programs that encourage and support low-income girls, including low-income girls of color, to graduate from high school on time, complete a postsecondary preparation program, become community leaders, and participate in service learning opportunities in their communities. Girls in Action must expend $500,000 of this appropriation for community-based programs located in the Twin Cities metropolitan area:

$ 1,500,000 ..... 2017

This is a onetime appropriation. This appropriation is available until June 30, 2019.

Subd. 11. Concurrent enrollment teacher training grants. For concurrent enrollment teacher training grants under Minnesota Statutes, section 124D.091, subdivision 4:

$ 750,000 ..... 2017
This is a onetime appropriation. This appropriation is available until June 30, 2019.

Subd. 12. **Minnesota Council on Economic Education.** For a grant to the Minnesota Council on Economic Education to provide staff development to teachers for implementing the state graduation standards in learning areas relating to economic education:

$ 250,000 ..... 2017

The commissioner, in consultation with the council, shall develop expectations for staff development outcomes, eligibility criteria for participants, an evaluation procedure, and guidelines for direct and in-kind contributions by the council.

This is a onetime appropriation. This appropriation is available until June 30, 2019.

Subd. 13. **Certificate incentive funding.** For the certificate incentive program:

$ 1,000,000 ..... 2017

This is a onetime appropriation. This appropriation is available until June 30, 2019.

Subd. 14. **Southwest Minnesota State University special education teacher education program.** The following sums are appropriated in the fiscal years designated from the general fund to the commissioner of education for the Southwest Minnesota State University special education teacher education program to support special education paraprofessionals working toward licensure in an online program:

$ 385,000 ..... 2017

The base for this program in fiscal year 2018 is $0.

Sec. 91. **APPROPRIATION; JOB BOARD.**

$239,000 in fiscal year 2017 is appropriated from the general fund to the Board of Teaching for an electronic statewide job board. The board may expend $79,000 of this appropriation in fiscal year 2017, and the remaining unexpended funds are available until June 30, 2019.

Sec. 92. **APPROPRIATION; FUTURE TEACHERS GRANT PROGRAM.**

$4,500,000 in fiscal year 2017 is appropriated from the general fund to the commissioner of the Office of Higher Education for the Minnesota future teachers grant program. This is a onetime appropriation. This appropriation is available until June 30, 2019.
Sec. 93. APPROPRIATION; STUDENT TEACHERS IN SHORTAGE AREAS; GRANTS.

$1,000,000 in fiscal year 2017 is appropriated from the general fund to the commissioner of the Office of Higher Education for grants to student teachers in shortage areas. This is a onetime appropriation. This appropriation is available until June 30, 2019.

Sec. 94. APPROPRIATION; SCHOOL-LINKED MENTAL HEALTH SERVICES.

$5,000,000 in fiscal year 2017 is appropriated from the general fund to the commissioner of human services for children's mental health grants under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (8), for current grantees to expand access to school-linked mental health services and to provide training to grantees on the use of evidence-based practices. This appropriation is available until June 30, 2019. To the extent practicable, the commissioner of human services is encouraged to expend the fiscal year 2017 appropriation equally over fiscal years 2017, 2018, and 2019.

Sec. 95. REVISOR'S INSTRUCTION.

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall renumber the section on innovative delivery of career and technical education programs as Minnesota Statutes, section 124D.339.

Sec. 96. REPEALER.

(a) Minnesota Statutes 2014, sections 120B.299, subdivision 5; 122A.413, subdivision 3; and 122A.74, are repealed.

(b) Minnesota Statutes 2015 Supplement, section 122A.413, subdivisions 1 and 2, are repealed.

(c) Minnesota Statutes 2014, sections 122A.40, subdivision 11; and 122A.41, subdivision 14, are repealed effective July 1, 2017.

(d) Minnesota Rules, part 3535.0110, subparts 6, 7, and 8, are repealed.

EFFECTIVE DATE. Paragraph (d) is effective the day following final enactment.

ARTICLE 9

CHARTER SCHOOLS

Section 1. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 4, is amended to read:
Subd. 4. **Application content.** (a) An applicant must include in its application to the commissioner to be an approved authorizer at least the following:

1. how chartering schools is a way for the organization to carry out its mission;
2. a description of the capacity of the organization to serve as an authorizer, including the personnel who will perform the authorizing duties, their qualifications, the amount of time they will be assigned to this responsibility, and the financial resources allocated by the organization to this responsibility;
3. a description of the capacity of the organization to serve as an authorizer, including the positions allocated to authorizing duties, the qualifications for those positions, the full-time equivalencies of those positions, and the financial resources available to fund the positions. The commissioner may use information about specific individuals expected to perform the authorizing duties in deciding whether to approve or disapprove an organization's application to be approved as an authorizer. The commissioner may not use information about specific individuals performing the authorizing duties in reviewing an approved authorizer's performance;
4. a description of the application and review process the authorizer will use to make decisions regarding the granting of charters;
5. a description of the type of contract it will arrange with the schools it charters that meets the provisions of section 124E.10;
6. the process to be used for providing ongoing oversight of the school consistent with the contract expectations specified in clause (4) that assures that the schools chartered are complying with both the provisions of applicable law and rules, and with the contract;
7. a description of the criteria and process the authorizer will use to grant expanded applications under section 124E.06, subdivision 5;
8. the process for making decisions regarding the renewal or termination of the school's charter based on evidence that demonstrates the academic, organizational, and financial competency of the school, including its success in increasing student achievement and meeting the goals of the charter school agreement; and
9. an assurance specifying that the organization is committed to serving as an authorizer for the full five-year term.

(b) Notwithstanding paragraph (a), an authorizer that is a school district may satisfy the requirements of paragraph (a), clauses (1) and (2), and any requirement governing a conflict of interest between an authorizer and its charter schools or ongoing evaluation and continuing education of an administrator or other professional support staff by submitting to the commissioner a written promise to comply with the requirements.

**EFFECTIVE DATE.** This section is effective the day following final enactment.
Sec. 2. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 5, is amended to read:

Subd. 5. Review by commissioner. (a) The commissioner shall review an authorizer's performance every five years in a manner and form determined by the commissioner, subject to paragraphs (b) and (c), and may review an authorizer's performance more frequently at the commissioner's own initiative or at the request of a charter school operator, charter school board member, or other interested party. The commissioner, after completing the review, shall transmit a report with findings to the authorizer.

(b) Consistent with this subdivision, the commissioner must:

1. use criteria appropriate to the authorizer and the schools it charters to review the authorizer's performance; and
2. consult with authorizers, charter school operators, and other charter school stakeholders in developing review criteria under this paragraph.

(c) The commissioner's form must use existing department data on the authorizer to minimize duplicate reporting to the extent practicable. When reviewing an authorizer's performance under this subdivision, the commissioner must not:

1. fail to credit;
2. withhold points; or
3. otherwise penalize an authorizer for failing to charter additional schools or for the absence of complaints against the authorizer's current portfolio of charter schools.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 7, is amended to read:

Subd. 7. Withdrawal. If the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under section 124E.10, subdivision 4, the authorizer must notify all its chartered schools and the commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30 in the next calendar year, regardless of when the authorizer's five-year term of approval ends. The commissioner may approve the transfer of a charter school to a new authorizer under this subdivision after the new authorizer submits an affidavit to the commissioner.

Sec. 4. Minnesota Statutes 2015 Supplement, section 124E.10, subdivision 1, is amended to read:
Subdivision 1. **Contents.** (a) The authorization for a charter school must be in the form of a written contract signed by the authorizer and the board of directors of the charter school. The contract must be completed within 45 business days of the commissioner's approval of the authorizer's affidavit. The authorizer shall submit to the commissioner a copy of the signed charter contract within ten business days of its execution. The contract for a charter school must be in writing and contain at least the following:

1. a declaration that the charter school will carry out the primary purpose in section 124E.01, subdivision 1, and how the school will report its implementation of the primary purpose;
2. a declaration of the additional purpose or purposes in section 124E.01, subdivision 1, that the school intends to carry out and how the school will report its implementation of those purposes;
3. a description of the school program and the specific academic and nonacademic outcomes that pupils must achieve;
4. a statement of admission policies and procedures;
5. a governance, management, and administration plan for the school;
6. signed agreements from charter school board members to comply with all federal and state laws governing organizational, programmatic, and financial requirements applicable to charter schools;
7. the criteria, processes, and procedures that the authorizer will use to monitor and evaluate the fiscal, operational, and academic performance consistent with subdivision 3, paragraphs (a) and (b);
8. for contract renewal, the formal written performance evaluation of the school that is a prerequisite for reviewing a charter contract under subdivision 3;
9. types and amounts of insurance liability coverage to be obtained by the charter school, consistent with section 124E.03, subdivision 2, paragraph (d);
10. consistent with section 124E.09, paragraph (d), a provision to indemnify and hold harmless the authorizer and its officers, agents, and employees from any suit, claim, or liability arising from any operation of the charter school, and the commissioner and department officers, agents, and employees notwithstanding section 3.736;
11. the term of the initial contract, which may be up to five years plus an additional preoperational planning year period, and up to five years for a renewed contract or a contract with a new authorizer after a transfer of authorizers, if warranted by the school's academic, financial, and operational performance;
12. how the board of directors or the operators of the charter school will provide special instruction and services for children with a disability under sections 125A.03.

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to 125A.24, and 125A.65, a description of the financial parameters within which the
charter school will operate to provide the special instruction and services to children
with a disability;

(13) the specific conditions for contract renewal that identify performance of all
students under the primary purpose of section 124E.01, subdivision 1, as the most
important factor in determining contract renewal;

(14) the additional purposes under section 124E.01, subdivision 1, and related
performance obligations under clause (7) contained in the charter contract as additional
factors in determining contract renewal; and

(15) the plan for an orderly closing of the school under chapter 317A, whether
the closure is a termination for cause, a voluntary termination, or a nonrenewal of the
contract, that includes establishing the responsibilities of the school board of directors
and the authorizer and notifying the commissioner, authorizer, school district in which the
charter school is located, and parents of enrolled students about the closure, information
and assistance sufficient to enable the student to re-enroll in another school, the transfer
of student records under section 124E.03, subdivision 5, paragraph (b), and procedures
for closing financial operations.

(b) A charter school must design its programs to at least meet the outcomes adopted
by the commissioner for public school students, including world's best workforce goals
under section 120B.11, subdivision 1. In the absence of the commissioner's requirements,
the school must meet the outcomes contained in the contract with the authorizer. The
achievement levels of the outcomes contained in the contract may exceed the achievement
levels of any outcomes adopted by the commissioner for public school students.

Sec. 5. Minnesota Statutes 2015 Supplement, section 124E.10, subdivision 5, is
amended to read:

Subd. 5. Mutual nonrenewal. If the authorizer and the charter school board of
directors mutually agree not to renew the contract, or if the governing board of an approved
authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause
under subdivision 4, a change in authorizers is allowed. The authorizer and the school
board must jointly submit a written and signed letter of their intent to the commissioner to
mutually not renew the contract. The authorizer that is a party to the existing contract must
inform the proposed authorizer about the fiscal, operational, and student performance status
of the school, as well as any including unmet contract outcomes and other outstanding
contractual obligations that exist. The charter contract between the proposed authorizer
and the school must identify and provide a plan to address any outstanding obligations from
the previous contract. The proposed contract must be submitted at least 105 business days before the end of the existing charter contract. The commissioner shall have 30 business days to review and make a determination. The proposed authorizer and the school shall have 15 business days to respond to the determination and address any issues identified by the commissioner. A final determination by the commissioner shall be made no later than 45 business days before the end of the current charter contract. If no change in authorizer is approved, the school and the current authorizer may withdraw their letter of nonrenewal and enter into a new contract. If the transfer of authorizers is not approved and the current authorizer and the school do not withdraw their letter and enter into a new contract, the school must be dissolved according to applicable law and the terms of the contract.

Sec. 6. Minnesota Statutes 2015 Supplement, section 124E.16, subdivision 2, is amended to read:

Subd. 2. Annual public reports. (a) A charter school must publish an annual report approved by the board of directors. The annual report must at least include information on school enrollment, student attrition, governance and management, staffing, finances, academic performance, innovative practices and implementation, and future plans. A charter school may combine this report with the reporting required under section 120B.11. A charter school must post the annual report on the school's official Web site. A charter school must also distribute the annual report by publication, mail, or electronic means to its authorizer, school employees, and parents and legal guardians of students enrolled in the charter school. The reports are public data under chapter 13.

(b) The commissioner shall establish specifications for an authorizer's annual public report that in a manner specified by the commissioner by January 15 for the previous school year ending June 30 that shall at least include key indicators of school academic, operational, and financial performance. The report is part of the system to evaluate authorizer performance under section 124E.05, subdivision 5. The report shall at least include key indicators of school academic, operational, and financial performance.

Sec. 7. Minnesota Statutes 2014, section 127A.45, subdivision 6a, is amended to read:

Subd. 6a. Cash flow adjustment. The board of directors of any charter school serving fewer than 200 students where the percent of students eligible for special education services equals at least 90 percent of the charter school's total enrollment eligible special education charter school under section 124E.21, subdivision 2, may request that the commissioner of education accelerate the school's cash flow under this section. The commissioner must approve a properly submitted request within 30 days of
its receipt. The commissioner must accelerate the school's regular special education aid payments according to the schedule in the school's request and modify the payments to the school under subdivision 3 accordingly. A school must not receive current payments of regular special education aid exceeding 90 percent of its estimated aid entitlement for the fiscal year. The commissioner must delay the special education aid payments to all other school districts and charter schools in proportion to each district or charter school's total share of regular special education aid such that the overall aid payment savings from the aid payment shift remains unchanged for any fiscal year.

**EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and later.

Sec. 8. Laws 2015, First Special Session chapter 3, article 4, section 4, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective the day following final enactment except the provision under paragraph (g) allowing prekindergarten deaf or hard-of-hearing pupils to enroll in a charter school is effective only if the commissioner of education determines there is no added cost attributable to the pupil for the 2016-2017 school year and later.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

**ARTICLE 10**

**SPECIAL EDUCATION**

Section 1. Minnesota Statutes 2015 Supplement, section 120B.125, is amended to read:

**120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION TO POSTSECONDARY EDUCATION AND EMPLOYMENT; PERSONAL LEARNING PLANS.**

(a) Consistent with sections 120B.13, 120B.131, 120B.132, 120B.14, 120B.15, 120B.30, subdivision 1, paragraph (c), 125A.08, and other related sections, school districts, beginning in the 2013-2014 school year, must assist all students by no later than grade 9 to explore their educational, college, and career interests, aptitudes, and aspirations and develop a plan for a smooth and successful transition to postsecondary education or employment. All students' plans must:

(1) provide a comprehensive plan to prepare for and complete a career and college ready curriculum by meeting state and local academic standards and developing career and
(134.1) employment-related skills such as team work, collaboration, creativity, communication,
(134.2) critical thinking, and good work habits;
(134.3) (2) emphasize academic rigor and high expectations;
(134.4) (3) help students identify interests, aptitudes, aspirations, and personal learning
(134.5) styles that may affect their career and college ready goals and postsecondary education
(134.6) and employment choices;
(134.7) (4) set appropriate career and college ready goals with timelines that identify
(134.8) effective means for achieving those goals;
(134.9) (5) help students access education and career options;
(134.10) (6) integrate strong academic content into career-focused courses and applied and
(134.11) experiential learning opportunities and integrate relevant career-focused courses and
(134.12) applied and experiential learning opportunities into strong academic content;
(134.13) (7) help identify and access appropriate counseling and other supports and assistance
(134.14) that enable students to complete required coursework, prepare for postsecondary education
(134.15) and careers, and obtain information about postsecondary education costs and eligibility
(134.16) for financial aid and scholarship;
(134.17) (8) help identify collaborative partnerships among prekindergarten through grade
(134.18) 12 schools, postsecondary institutions, economic development agencies, and local and
(134.19) regional employers that support students' transition to postsecondary education and
(134.20) employment and provide students with applied and experiential learning opportunities; and
(134.21) (9) be reviewed and revised at least annually by the student, the student's parent or
(134.22) guardian, and the school or district to ensure that the student's course-taking schedule keeps
(134.23) the student making adequate progress to meet state and local academic standards and high
(134.24) school graduation requirements and with a reasonable chance to succeed with employment
(134.25) or postsecondary education without the need to first complete remedial course work.
(134.26) (b) A school district may develop grade-level curricula or provide instruction that
(134.27) introduces students to various careers, but must not require any curriculum, instruction,
(134.28) or employment-related activity that obligates an elementary or secondary student to
(134.29) involuntarily select or pursue a career, career interest, employment goals, or related job
(134.30) training.
(134.31) (c) Educators must possess the knowledge and skills to effectively teach all English
(134.32) learners in their classrooms. School districts must provide appropriate curriculum,
(134.33) targeted materials, professional development opportunities for educators, and sufficient
(134.34) resources to enable English learners to become career and college ready.
(134.35) (d) When assisting students in developing a plan for a smooth and successful
(134.36) transition to postsecondary education and employment, districts must recognize the unique

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possibilities of each student and ensure that the contents of each student's plan reflect the
student's unique talents, skills, and abilities as the student grows, develops, and learns.

(e) If a student with a disability has an individualized education program (IEP) or
standardized written plan that meets the plan components of this section, the IEP satisfies
the requirement and no additional transition plan is needed.

Sec. 2. Minnesota Statutes 2014, section 122A.31, subdivision 3, is amended to read:

Subd. 3. Qualified interpreters. The Department of Education and the resource
center, state specialist for deaf and hard-of-hearing hard-of-hearing shall work with
existing interpreter/transliterator training programs, other training/educational institutions,
and the regional service centers to ensure that ongoing staff development training for
educational interpreters/transliterators is provided throughout the state.

Sec. 3. Minnesota Statutes 2014, section 124D.15, subdivision 15, is amended to read:

Subd. 15. Eligibility. A child is eligible to participate in a school readiness program
if the child:

(1) is at least three years old on September 1;
(2) has completed health and developmental screening within 90 days of program
enrollment under sections 121A.16 to 121A.19; and
(3) has one or more of the following risk factors:
(i) qualifies for free or reduced-price lunch;
(ii) is an English learner;
(iii) is homeless;
(iv) has an individualized education program (IEP) or an individual interagency
intervention plan (IIP); standardized written plan;
(v) is identified, through health and developmental screenings under sections
121A.16 to 121A.19, with a potential risk factor that may influence learning; or
(vi) is defined as at-risk by the school district.

Sec. 4. Minnesota Statutes 2015 Supplement, section 125A.08, is amended to read:

125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.

(a) At the beginning of each school year, each school district shall have in effect, for
each child with a disability, an individualized education program.

(b) As defined in this section, every district must ensure the following:
(1) all students with disabilities are provided the special instruction and services
which are appropriate to their needs. Where the individualized education program team
136.1 has determined appropriate goals and objectives based on the student's needs, including
136.2 the extent to which the student can be included in the least restrictive environment,
136.3 and where there are essentially equivalent and effective instruction, related services, or
136.4 assistive technology devices available to meet the student's needs, cost to the district may
136.5 be among the factors considered by the team in choosing how to provide the appropriate
136.6 services, instruction, or devices that are to be made part of the student's individualized
136.7 education program. The individualized education program team shall consider and
136.8 may authorize services covered by medical assistance according to section 256B.0625,
136.9 subdivision 26. The student's needs and the special education instruction and services to
136.10 be provided must be agreed upon through the development of an individualized education
136.11 program. The program must address the student's need to develop skills to live and work
136.12 as independently as possible within the community. The individualized education program
136.13 team must consider positive behavioral interventions, strategies, and supports that address
136.14 behavior needs for children. During grade 9, the program must address the student's
136.15 needs for transition from secondary services to postsecondary education and training,
136.16 employment, community participation, recreation, and leisure and home living. In
136.17 developing the program, districts must inform parents of the full range of transitional goals
136.18 and related services that should be considered. The program must include a statement of
136.19 the needed transition services, including a statement of the interagency responsibilities
136.20 or linkages or both before secondary services are concluded. If the IEP meets the plan
136.21 components in section 120B.125, the IEP satisfies the requirement and no additional
136.22 transition plan is needed;
136.23 (2) children with a disability under age five and their families are provided special
136.24 instruction and services appropriate to the child's level of functioning and needs;
136.25 (3) children with a disability and their parents or guardians are guaranteed procedural
136.26 safeguards and the right to participate in decisions involving identification, assessment
136.27 including assistive technology assessment, and educational placement of children with a
136.28 disability;
136.29 (4) eligibility and needs of children with a disability are determined by an initial
136.30 evaluation or reevaluation, which may be completed using existing data under United
136.31 States Code, title 20, section 33, et seq.;
136.32 (5) to the maximum extent appropriate, children with a disability, including those
136.33 in public or private institutions or other care facilities, are educated with children who
136.34 are not disabled, and that special classes, separate schooling, or other removal of children
136.35 with a disability from the regular educational environment occurs only when and to the
extent that the nature or severity of the disability is such that education in regular classes
with the use of supplementary services cannot be achieved satisfactorily;

(6) in accordance with recognized professional standards, testing and evaluation
materials, and procedures used for the purposes of classification and placement of children
with a disability are selected and administered so as not to be racially or culturally
discriminatory; and

(7) the rights of the child are protected when the parents or guardians are not known
or not available, or the child is a ward of the state.

(c) For all paraprofessionals employed to work in programs whose role in part is
to provide direct support to students with disabilities, the school board in each district
shall ensure that:

(1) before or beginning at the time of employment, each paraprofessional must
develop sufficient knowledge and skills in emergency procedures, building orientation,
roles and responsibilities, confidentiality, vulnerability, and reportability, among other
things, to begin meeting the needs, especially disability-specific and behavioral needs, of
the students with whom the paraprofessional works;

(2) annual training opportunities are required to enable the paraprofessional to
continue to further develop the knowledge and skills that are specific to the students with
whom the paraprofessional works, including understanding disabilities, the unique and
individual needs of each student according to the student's disability and how the disability
affects the student's education and behavior, following lesson plans, and implementing
follow-up instructional procedures and activities; and

(3) a districtwide process obligates each paraprofessional to work under the ongoing
direction of a licensed teacher and, where appropriate and possible, the supervision of a
school nurse.

Sec. 5. Minnesota Statutes 2015 Supplement, section 125A.083, is amended to read:

125A.083 STUDENT INFORMATION SYSTEMS; TRANSFERRING
RECORDS.

(a) To efficiently and effectively meet federal and state compliance and
accountability requirements using an online case management reporting system, beginning
July 1, 2018, a school districts district may contract only for a student information system
that is Schools Interoperability Framework compliant and compatible with the.

(b) Beginning on July 1 of the fiscal year following the year that the commissioner
of education certifies to the legislature under paragraph (c) that a compatible compliant
system exists, a school district must use an online system for compliance reporting

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under section 125A.085, beginning in the 2018-2019 school year and later. A district's
information system under this section must facilitate the seamless transfer of student
records for a student with disabilities who transfers between school districts, including
records containing the student's evaluation report, service plan, and other due process
forms and information, regardless of what information system any one district uses.

(c) As a part of the annual report required under section 125A.085, paragraph (f), the
commissioner must specify whether a compatible compliant system exists and if so, list
each vendor's systems that meet the criteria in paragraph (b).

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2014, section 125A.091, subdivision 11, is amended to read:

**Subd. 11. Facilitated team meeting.** A facilitated team meeting is an IEP, IFSP, or
**HF2749 multiagency** team meeting led by an impartial state-provided facilitator to promote
effective communication and assist a team in developing an individualized education
program.

Sec. 7. Minnesota Statutes 2015 Supplement, section 125A.0942, subdivision 3,
is amended to read:

**Subd. 3. Physical holding or seclusion.** (a) Physical holding or seclusion may be
used only in an emergency. A school that uses physical holding or seclusion shall meet the
following requirements:

(1) physical holding or seclusion is the least intrusive intervention that effectively
responds to the emergency;

(2) physical holding or seclusion is not used to discipline a noncompliant child;

(3) physical holding or seclusion ends when the threat of harm ends and the staff
determines the child can safely return to the classroom or activity;

(4) staff directly observes the child while physical holding or seclusion is being used;

(5) each time physical holding or seclusion is used, the staff person who implements
or oversees the physical holding or seclusion documents, as soon as possible after the
incident concludes, the following information:

(i) a description of the incident that led to the physical holding or seclusion;

(ii) why a less restrictive measure failed or was determined by staff to be
inappropriate or impractical;

(iii) the time the physical holding or seclusion began and the time the child was
released; and

(iv) a brief record of the child's behavioral and physical status;
(6) the room used for seclusion must:

(i) be at least six feet by five feet;

(ii) be well lit, well ventilated, adequately heated, and clean;

(iii) have a window that allows staff to directly observe a child in seclusion;

(iv) have tamperproof fixtures, electrical switches located immediately outside the door, and secure ceilings;

(v) have doors that open out and are unlocked, locked with keyless locks that have immediate release mechanisms, or locked with locks that have immediate release mechanisms connected with a fire and emergency system; and

(vi) not contain objects that a child may use to injure the child or others; and

(7) before using a room for seclusion, a school must:

(i) receive written notice from local authorities that the room and the locking mechanisms comply with applicable building, fire, and safety codes; and

(ii) register the room with the commissioner, who may view that room; and

(8) until August 1, 2015, a school district may use prone restraints with children age five or older if:

(i) the district has provided to the department a list of staff who have had specific training on the use of prone restraints;

(ii) the district provides information on the type of training that was provided and by whom;

(iii) only staff who received specific training use prone restraints;

(iv) each incident of the use of prone restraints is reported to the department within five working days on a form provided by the department; and

(v) the district, before using prone restraints, must review any known medical or psychological limitations that contraindicate the use of prone restraints.

The department must collect data on districts’ use of prone restraints and publish the data in a readily accessible format on the department’s Web site on a quarterly basis.

(b) By February 1, 2015, and annually thereafter, stakeholders may, as necessary, recommend to the commissioner specific and measurable implementation and outcome goals for reducing the use of restrictive procedures and the commissioner must submit to the legislature a report on districts’ progress in reducing the use of restrictive procedures that recommends how to further reduce these procedures and eliminate the use of prone restraints

seclusion. The statewide plan includes the following components:

measurable goals; the resources, training, technical assistance, mental health services, and collaborative efforts needed to significantly reduce districts’ use of prone restraints

seclusion; and recommendations to clarify and improve the law governing districts’ use
of restrictive procedures. The commissioner must consult with interested stakeholders
when preparing the report, including representatives of advocacy organizations, special
education directors, teachers, paraprofessionals, intermediate school districts, school
boards, day treatment providers, county social services, state human services department
staff, mental health professionals, and autism experts. By June 30, Beginning with the
2016-2017 school year, in a form and manner determined by the commissioner, districts
must report data quarterly to the department by January 15, April 15, July 15, and October
15 about individual students who have been secluded. By July 15 each year, districts
must report summary data on their use of restrictive procedures to the department for
the prior school year, July 1 through June 30, in a form and manner determined by the
commissioner. The summary data must include information about the use of restrictive
procedures, including use of reasonable force under section 121A.582.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and
later.

Sec. 8. Minnesota Statutes 2014, section 125A.0942, subdivision 4, is amended to read:
Subd. 4. Prohibitions. The following actions or procedures are prohibited:
(1) engaging in conduct prohibited under section 121A.58;
(2) requiring a child to assume and maintain a specified physical position, activity,
or posture that induces physical pain;
(3) totally or partially restricting a child's senses as punishment;
(4) presenting an intense sound, light, or other sensory stimuli using smell, taste,
substance, or spray as punishment;
(5) denying or restricting a child's access to equipment and devices such as walkers,
wheelchairs, hearing aids, and communication boards that facilitate the child's functioning,
except when temporarily removing the equipment or device is needed to prevent injury
to the child or others or serious damage to the equipment or device, in which case the
equipment or device shall be returned to the child as soon as possible;
(6) interacting with a child in a manner that constitutes sexual abuse, neglect, or
physical abuse under section 626.556;
(7) withholding regularly scheduled meals or water;
(8) denying access to bathroom facilities; and
(9) physical holding that restricts or impairs a child's ability to breathe, restricts or
impairs a child's ability to communicate distress, places pressure or weight on a child's
head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen, or results in
straddling a child's torso; and
(10) prone restraint.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 9. Minnesota Statutes 2015 Supplement, section 125A.11, subdivision 1, is amended to read:

Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and later, when a school district provides special instruction and services for a pupil with a disability as defined in section 125A.02 outside the district of residence, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the resident district must be reduced by an amount equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue, excluding local optional revenue, plus local optional aid and referendum equalization aid attributable to that pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the amount of special education aid for children with a disability under section 125A.76 received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum equalization aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue and the serving district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a cooperative unit without a fiscal agent school district, the general education revenue and referendum equalization aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum equalization aid excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue.

Special education aid paid to the district or cooperative providing special instruction and services for the pupil must be increased by the amount of the reduction in the aid paid...
to the resident district. \(\text{Amounts paid to cooperatives under this subdivision and section }127A.47, \text{ subdivision 7, shall be recognized and reported as revenues and expenditures on the resident school district's books of account under sections 123B.75 and 123B.76. If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aid due to the district.}

(b) Notwithstanding paragraph (a), when a charter school receiving special education aid under section 124E.21, subdivision 3, provides special instruction and services for a pupil with a disability as defined in section 125A.02, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.46, subdivision 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced by an amount equal to that calculated under paragraph (a) as if the charter school received aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a), special education aid paid to the charter school providing special instruction and services for the pupil must not be increased by the amount of the reduction in the aid paid to the resident district.

(c) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs (b) to (d),

(1) an intermediate district or a special education cooperative may recover unreimbursed costs of serving pupils with a disability, including building lease, debt service, and indirect costs necessary for the general operation of the organization, by billing membership fees and nonmember access fees to the resident district;

(2) a charter school where more than 30 percent of enrolled students receive special education and related services, a site approved under section 125A.515, an intermediate district, or a special education cooperative, or a school district that served as the applicant agency for a group of school districts for federal special education aids for fiscal year 2006 may apply to the commissioner for authority to charge the resident district an additional amount to recover any remaining unreimbursed costs of serving pupils with a disability;

(3) the billing under clause (1) or application under clause (2) must include a description of the costs and the calculations used to determine the unreimbursed portion to be charged to the resident district. \(\text{Amounts approved by the commissioner under this paragraph clause (2) must be included in the tuition billings or aid adjustments under paragraph (a), or section 127A.47, subdivision 7, paragraphs (b) to (d), as applicable.}

(d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraph (b), "general education revenue and referendum equalization aid" means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding the local optional levy according to section 126C.10, subdivision 2e, paragraph (c), plus the referendum equalization aid according to section 126C.17, subdivision 7.
Sec. 10. Minnesota Statutes 2015 Supplement, section 125A.21, subdivision 3, is amended to read:

Subd. 3. Use of reimbursements. Of the reimbursements received, districts may reserve
School districts must reserve third-party revenue and must spend the reimbursements received only to:

(1) retain an amount sufficient to compensate the district for its administrative costs of obtaining reimbursements;
(2) regularly obtain from education- and health-related entities training and other appropriate technical assistance designed to improve the district's ability to access third-party payments for individualized education program or individualized family service plan health-related services; or
(3) reallocate reimbursements for the benefit of students with individualized education programs or individualized family service plans in the district.

Sec. 11. Minnesota Statutes 2015 Supplement, section 125A.63, subdivision 4, is amended to read:

Subd. 4. Advisory committees. (a) The commissioner shall establish advisory committees for the deaf and hard-of-hearing and for the blind and visually impaired. The advisory committees shall develop recommendations and submit an annual report to the commissioner on the form and in the manner prescribed by the commissioner.

(b) The advisory committees for the deaf and hard of hearing and for the blind and visually impaired shall meet periodically at least four times per year. The committees must each review, approve, and submit an annual biennial report to the commissioner, the education policy and finance committees of the legislature, and the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. The reports must, at least:

(1) identify and report the aggregate, data-based education outcomes for children with the primary disability classification of deaf and hard of hearing or of blind and visually impaired, consistent with the commissioner's child count reporting practices, the commissioner's state and local outcome data reporting system by district and region, and the school performance report cards under section 120B.36, subdivision 1; and
(2) describe the implementation of a data-based plan for improving the education outcomes of deaf and hard of hearing or blind and visually impaired children that is premised on evidence-based best practices, and provide a cost estimate for ongoing implementation of the plan.
Sec. 12. Minnesota Statutes 2015 Supplement, section 125A.76, subdivision 2c, is amended to read:

Subd. 2c. Special education aid. (a) For fiscal year 2014 and fiscal year 2015, a district's special education aid equals the sum of the district's special education aid under subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and the district's excess cost aid under section 125A.79, subdivision 7.

(b) For fiscal year 2016 and later, a district's special education aid equals the sum of the district's special education initial aid under subdivision 2a and the district's excess cost aid under section 125A.79, subdivision 5.

(c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for a school district must not exceed the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, and the product of the district's average daily membership served and the special education aid increase limit.

(d) Notwithstanding paragraph (b), for fiscal year 2017 and later, the special education aid for a school district must not exceed the sum of: (i) the product of the district's average daily membership served and the special education aid increase limit and (ii) the product of the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's average daily membership served for the current fiscal year to the district's average daily membership served for fiscal year 2016, and the program growth factor.

(e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special education aid for a school district, not including a charter school or cooperative unit as defined in section 123A.24, must not be less than the lesser of (1) the district's nonfederal special education expenditures for that fiscal year or (2) the product of the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted daily membership for the current fiscal year to the district's average daily membership for fiscal year 2016, and the program growth factor.

(f) Notwithstanding subdivision 2a and section 125A.79, a charter school in its first year of operation shall generate special education aid based on current year data. A newly formed cooperative unit as defined in section 123A.24 may apply to the commissioner for approval to generate special education aid for its first year of operation based on
current year data, with an offsetting adjustment to the prior year data used to calculate aid
for programs at participating school districts or previous cooperatives that were replaced
by the new cooperative.

(g) The department shall establish procedures through the uniform financial
accounting and reporting system to identify and track all revenues generated from
third-party billings as special education revenue at the school district level; include revenue
generated from third-party billings as special education revenue in the annual cross-subsidy
report; and exclude third-party revenue from calculation of excess cost aid to the districts.

Sec. 13. Minnesota Statutes 2015 Supplement, section 125A.79, subdivision 1, is
amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this
subdivision apply.

(a) "Unreimbursed old formula special education expenditures" means:

(1) old formula special education expenditures for the prior fiscal year; minus

(2) for fiscal years 2014 and 2015, the sum of the special education aid under section

125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under
section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education
initial aid under section 125A.76, subdivision 2a; minus

(3) for fiscal year 2016 and later, the amount of general education revenue, excluding
local optional revenue, plus local optional aid and referendum equalization aid for the
prior fiscal year attributable to pupils receiving special instruction and services outside the
regular classroom for more than 60 percent of the school day for the portion of time the
pupils receive special instruction and services outside the regular classroom, excluding
portions attributable to district and school administration, district support services,
operations and maintenance, capital expenditures, and pupil transportation.

(b) "Unreimbursed nonfederal special education expenditures" means:

(1) nonfederal special education expenditures for the prior fiscal year; minus

(2) special education initial aid under section 125A.76, subdivision 2a; minus

(3) the amount of general education revenue, excluding local optional revenue, plus
local optional aid, and referendum equalization aid for the prior fiscal year attributable
to pupils receiving special instruction and services outside the regular classroom for
more than 60 percent of the school day for the portion of time the pupils receive special
instruction and services outside of the regular classroom, excluding portions attributable to
district and school administration, district support services, operations and maintenance,
capital expenditures, and pupil transportation.
146.1 (c) "General revenue" for a school district means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding transportation sparsity revenue, local optional revenue, and total operating capital revenue. "General revenue" for a charter school means the sum of the general education revenue according to section 124E.20, subdivision 1, and transportation revenue according to section 124E.23, excluding referendum equalization aid, transportation sparsity revenue, and operating capital revenue.

146.8 Sec. 14. Minnesota Statutes 2015 Supplement, section 127A.47, subdivision 7, is amended to read:

146.10 Subd. 7. **Alternative attendance programs.** (a) The general education aid and special education aid for districts must be adjusted for each pupil attending a nonresident district under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The adjustments must be made according to this subdivision.

146.14 (b) For purposes of this subdivision, the "unreimbursed cost of providing special education and services" means the difference between: (1) the actual cost of providing special instruction and services, including special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, for a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue, excluding local optional revenue, plus local optional aid and referendum equalization aid as defined in section 125A.11, subdivision 1, paragraph (d), attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, minus (3) special education aid under section 125A.76 attributable to that pupil, that is received by the district providing special instruction and services. For purposes of this paragraph, general education revenue and referendum equalization aid attributable to a pupil must be calculated using the serving district's average general education revenue and referendum equalization aid per adjusted pupil unit.

146.32 (c) For fiscal year 2015 and later, special education aid paid to a resident district must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing special education and services.
(d) Notwithstanding paragraph (c), special education aid paid to a resident district must be reduced by an amount equal to 100 percent of the unreimbursed cost of special education and services provided to students at an intermediate district, cooperative, or charter school where the percent of students eligible for special education services is at least 70 percent of the charter school's total enrollment.

(e) Notwithstanding paragraph (c), special education aid paid to a resident district must be reduced under paragraph (d) for students at a charter school receiving special education aid under section 124E.21, subdivision 3, calculated as if the charter school received special education aid under section 124E.21, subdivision 1.

(f) Special education aid paid to the district or cooperative providing special instruction and services for the pupil, or to the fiscal agent district for a cooperative, must be increased by the amount of the reduction in the aid paid to the resident district under paragraphs (c) and (d). If the resident district's special education aid is insufficient to make the full adjustment under paragraphs (c), (d), and (e), the remaining adjustment shall be made to other state aids due to the district.

(g) Notwithstanding paragraph (a), general education aid paid to the resident district of a nonspecial education student for whom an eligible special education charter school receives general education aid under section 124E.20, subdivision 1, paragraph (c), must be reduced by an amount equal to the difference between the general education aid attributable to the student under section 124E.20, subdivision 1, paragraph (c), and the general education aid that the student would have generated for the charter school under section 124E.20, subdivision 1, paragraph (a). For purposes of this paragraph, "nonspecial education student" means a student who does not meet the definition of pupil with a disability as defined in section 125A.02 or the definition of a pupil in section 125A.51.

(h) An area learning center operated by a service cooperative, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge the resident district tuition for pupils rather than to have the general education revenue paid to a fiscal agent school district. Except as provided in paragraph (f), the district of residence must pay tuition equal to at least 90 and no more than 100 percent of the district average general education revenue per pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without compensatory revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units for pupils attending the area learning center.
Sec. 15. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision 2, is amended to read:

Subd. 2. Special education; regular. For special education aid under Minnesota Statutes, section 125A.75:

148.2
Subd. 2. Special education; regular. For special education aid under Minnesota Statutes, section 125A.75:

148.3

The 2016 appropriation includes $137,932,000 for 2015 and $1,032,997,000 for 2016.

148.4
The 2017 appropriation includes $145,355,000 for 2016 and $1,084,351,000 for 2017.

Sec. 16. REDUCING STATE-GENERATED SPECIAL EDUCATION PAPERWORK.

Notwithstanding other law to the contrary in fiscal years 2017 and 2018, the commissioner of education must use existing budgetary resources to identify and remove 25 percent of the paperwork burden on Minnesota special education teachers that results from state but not federally mandated special education compliance reporting requirements.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 17. APPROPRIATION CANCELED.

$1,686,000 on June 30, 2016, is transferred from the information and telecommunications technology systems and services account under Minnesota Statutes, section 16E.21, to the general fund. This represents the amount the Department of Education transferred to that account in fiscal year 2015 after determining that the special education paperwork reduction activities authorized in an appropriation under Laws 2013, chapter 116, article 5, section 31, subdivision 8, were not feasible based on a onetime appropriation.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 11

FACILITIES AND TECHNOLOGY

Section 1. Minnesota Statutes 2015 Supplement, section 123B.53, subdivision 1, is amended to read:
Subdivision 1. Definitions. (a) For purposes of this section, the eligible debt service revenue of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district for eligible projects according to subdivision 2, including the amounts necessary for repayment of energy loans according to section 216C.37 or sections 298.292 to 298.298, debt service loans, capital loans, and lease purchase payments under section 126C.40, subdivision 2, excluding long-term facilities maintenance levies under section 123B.595, minus

(2) the amount of debt service excess levy reduction for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 123B.61;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or Douglas J. Johnson economic protection trust, excluding the portion of taconite payments from the Iron Range school consolidation and cooperatively operated school account under section 298.28, subdivision 7a;

(3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as amended by Laws 1992, chapter 499, article 5, section 24;

(4) obligations under section 123B.62; and

(5) obligations equalized under section 123B.535.

(c) For purposes of this section, if a preexisting school district reorganized under sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt service equalization aid must be computed separately for each of the preexisting districts.

(d) For purposes of this section, the adjusted net tax capacity determined according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property generally exempted from ad valorem taxes under section 272.02, subdivision 64.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 2. Minnesota Statutes 2014, section 123B.571, subdivision 2, is amended to read:

Subd. 2. Radon testing. A school district may include radon testing as a part of its health and safety ten-year facility plan under section 123B.595, subdivision 4. If a school district receives authority to use health and safety long-term facilities maintenance...
revenue to conduct radon testing, the district shall conduct the testing according to the
radon testing plan developed by the commissioners of health and education.

**EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
later.

Sec. 3. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 4, is
amended to read:

Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school
district or intermediate district, not including a charter school, must have a ten-year facility
plan adopted by the school board and approved by the commissioner. The plan must include
provisions for implementing a health and safety program that complies with health, safety,
and environmental regulations and best practices, including indoor air quality management.

(b) The district must annually update the plan, biennially submit a facility
maintenance plan to the commissioner for approval by July 31, and indicate whether
the district will issue bonds to finance the plan or levy for the costs.

(c) For school districts issuing bonds to finance the plan, the plan must include a
debt service schedule demonstrating that the debt service revenue required to pay the
principal and interest on the bonds each year will not exceed the projected long-term
facilities revenue for that year.

**EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
later.

Sec. 4. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 7, is
amended to read:

Subd. 7. **Long-term facilities maintenance equalization revenue.** (a) For fiscal
year 2017 only, a district's long-term facilities maintenance equalization revenue equals
the lesser of (1) $193 times the adjusted pupil units or (2) the district's revenue under
subdivision 1.

(b) For fiscal year 2018 only, a district's long-term facilities maintenance
equalization revenue equals the lesser of (1) $292 times the adjusted pupil units or (2)
the district's revenue under subdivision 1.

c) For fiscal year 2019 and later, a district's long-term facilities maintenance
equalization revenue equals the lesser of (1) $380 times the adjusted pupil units or (2)
the district's revenue under subdivision 1.
Notwithstanding paragraphs (a) to (c), a district's long-term facilities maintenance equalization revenue must not be less than the lesser of the district's long-term facilities maintenance revenue or the amount of aid the district received for fiscal year 2015 under section 123B.59, subdivision 6.

**EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and later.

Sec. 5. Minnesota Statutes 2015 Supplement, section 123B.59, subdivision 8, is amended to read:

Subd. 8. **Long-term facilities maintenance equalized levy.** (a) For fiscal year 2017 and later, a district's long-term facilities maintenance equalized levy equals the district's long-term facilities maintenance equalization revenue minus the greater of:

1. the lesser of the district's long-term facilities maintenance equalization revenue or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes 2014, section 123B.59, subdivision 6; or
2. the district's long-term facilities maintenance equalization revenue times the greater of (i) zero or (ii) one minus the ratio of its adjusted net tax capacity per adjusted pupil unit in the year preceding the year the levy is certified to 123 percent of the state average adjusted net tax capacity per adjusted pupil unit for all school districts in the year preceding the year the levy is certified.

(b) For purposes of this subdivision, "adjusted net tax capacity" means the value described in section 126C.01, subdivision 2, paragraph (b).

**EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and later.

Sec. 6. Minnesota Statutes 2015 Supplement, section 123B.59, is amended by adding a subdivision to read:

Subd. 8a. **Long-term facilities maintenance unequalized levy.** For fiscal year 2017 and later, a district's long-term facilities maintenance unequalized levy equals the difference between the district's revenue under subdivision 1 and the district's equalization revenue under subdivision 7.

**EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and later.
Sec. 7. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 9, is amended to read:

Subd. 9. Long-term facilities maintenance equalized aid. For fiscal year 2017 and later, a district's long-term facilities maintenance equalized aid equals its long-term facilities maintenance equalization revenue minus its long-term facilities maintenance equalized levy times the ratio of the actual equalized amount levied to the permitted equalized levy.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 8. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 10, is amended to read:

Subd. 10. Allowed uses for long-term facilities maintenance revenue. (a) A district may use revenue under this section for any of the following:

(1) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities;

(2) increasing accessibility of school facilities; or

(3) health and safety capital projects under section 123B.57-5; or

(4) by board resolution, to transfer money from the general fund reserve for long-term facilities maintenance to the debt redemption fund to pay the amounts needed to meet, when due, principal and interest on general obligation bonds issued under subdivision 5.

(b) A charter school may use revenue under this section for any purpose related to the school.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 9. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 11, is amended to read:

Subd. 11. Restrictions on long-term facilities maintenance revenue. Notwithstanding subdivision 10, long-term facilities maintenance revenue may not be used:

(1) for the construction of new facilities, remodeling of existing facilities, or the purchase of portable classrooms;

(2) to finance a lease purchase agreement, installment purchase agreement, or other deferred payments agreement;
(3) for energy-efficiency projects under section 123B.65, for a building or property
or part of a building or property used for postsecondary instruction or administration, or
for a purpose unrelated to elementary and secondary education; or
(4) for violence prevention and facility security, ergonomics, or emergency
communication devices.

**EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
later.

Sec. 10. Minnesota Statutes 2014, section 123B.60, subdivision 1, is amended to read:

Subdivision 1. **Bonds.** When a building owned by a district is substantially damaged
by an act of God or other means beyond the control of the district, the district may issue
general obligation bonds without an election to provide money immediately to carry
out its adopted health and safety long-term facilities maintenance program. Each year
the district must pledge an attributable share of its health and safety long-term facilities
maintenance revenue to the repayment of principal and interest on the bonds. The pledged
revenue must be transferred to recognized in the debt redemption fund of the district. The
district must submit to the department the repayment schedule for any bonds issued under
this section. The district must deposit in the debt redemption fund all proceeds received
for specific costs for which the bonds were issued, including but not limited to:

(1) insurance proceeds;
(2) restitution proceeds; and
(3) proceeds of litigation or settlement of a lawsuit.

Before bonds are issued, the district must submit a combined an amended
application to the commissioner for health and safety long-term facilities maintenance
revenue, according to section 123B.57, and requesting review and comment, according
to section 123B.71, subdivisions 8, 9, 11, and 12 123B.595. The commissioner shall
complete all procedures concerning the combined application within 20 days of receiving
the application. The publication provisions of section 123B.71, subdivision 12, do not
apply to bonds issued under this section.

**EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
later.

Sec. 11. Minnesota Statutes 2014, section 123B.71, subdivision 8, is amended to read:

Subd. 8. **Review and comment.** A school district, a special education cooperative,
or a cooperative unit of government, as defined in section 123A.24, subdivision 2,
must not initiate an installment contract for purchase or a lease agreement, hold a
referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of
an educational facility that requires an expenditure in excess of $500,000 per school site if
it has a capital loan outstanding, or $2,000,000 per school site if it does not have a capital
loan outstanding, prior to review and comment by the commissioner. A facility addition,
maintenance project, or remodeling project funded only with general education revenue,
deferred maintenance revenue, alternative facilities bonding and levy program revenue,
lease levy proceeds, capital facilities bond proceeds, or health and safety long-term
facilities maintenance revenue is exempt from this provision. A capital project under
section 123B.63 addressing only technology is exempt from this provision if the district
submits a school board resolution stating that funds approved by the voters will be used
only as authorized in section 126C.10, subdivision 14. A school board shall not separate
portions of a single project into components to avoid the requirements of this subdivision.

**EFFECTIVE DATE.** This section is effective the day following final enactment
and applies to review and comments for projects funded with revenue for fiscal year
2017 and later.

Sec. 12. Minnesota Statutes 2014, section 123B.79, subdivision 5, is amended to read:

Subd. 5. **Deficits; exception.** For the purposes of this section, a permanent transfer
includes creating a deficit in a nonoperating fund for a period past the end of the current
fiscal year which is covered by moneys in an operating fund. However, a deficit in the
capital expenditure fund reserve for operating capital account pursuant to section 123B.78,
subdivision 5, does not constitute a permanent transfer.

Sec. 13. Minnesota Statutes 2014, section 123B.79, subdivision 8, is amended to read:

Subd. 8. **Account transfer for reorganizing districts.** A district that has
reorganized according to sections 123A.35 to 123A.43, 123A.46, or 123A.48, or has
conducted a successful referendum on the question of combination under section
123A.37, subdivision 2, or consolidation under section 123A.48, subdivision 15, or has
been assigned an identification number by the commissioner under section 123A.48,
subdivision 16, may make permanent transfers between any of the funds or accounts in
the newly created or enlarged district with the exception of the debt redemption fund,
building construction fund, food service fund, and health and safety long-term facilities
maintenance account of the capital expenditure general fund. Fund transfers under this
section may be made for up to one year prior to the effective date of combination or
consolidation by the consolidating boards and during the year following the effective date

Article 11 Sec. 13.
of reorganization by the consolidated board. The newly formed board of the combined
district may adopt a resolution on or before August 30 of the year of the reorganization
authorizing a transfer among accounts or funds of the previous independent school
districts which transfer or transfers shall be reported in the affected districts' audited
financial statements for the year immediately preceding the consolidation.

EFFECTIVE DATE. This section is effective July 1, 2016, for fiscal year 2017
and later.

Sec. 14. Minnesota Statutes 2014, section 123B.79, subdivision 9, is amended to read:
Subd. 9. Elimination of reserve accounts. A school board shall eliminate all
reserve accounts established in the school district's general fund under Minnesota Statutes
before July 1, 2006, for which no specific authority remains in statute as of June 30, 2007.
Any balance in the district's reserved for bus purchases account for deferred maintenance
as of June 30, 2007 2016, shall be transferred to the reserved account for operating capital
long-term facilities maintenance in the school district's general fund. Any balance in
other reserved accounts established in the school district's general fund under Minnesota Statutes before July 1, 2006, for which no specific authority remains in statute as of June 30, 2007, shall be transferred to the school district's unreserved general fund balance:
A school board may, upon adoption of a resolution by the school board, establish a
designated account for any program for which a reserved account has been eliminated.
Any balance in the district's reserved account for health and safety as of June 30, 2019,
shall be transferred to the unassigned fund balance account in the district's general fund.
Any balance in the district's reserved account for alternative facilities as of June 30, 2016,
shall be transferred to the reserved account for long-term facilities maintenance in the
district's building construction fund.

EFFECTIVE DATE. This section is effective July 1, 2016, for fiscal year 2017
and later.

Sec. 15. Minnesota Statutes 2014, section 126C.40, subdivision 5, is amended to read:
Subd. 5. Energy conservation. For loans approved before March 1, 1998, the
district may annually include as revenue under section 123B.52, without the approval of a
majority of the voters in the district, an amount sufficient to repay the annual principal and
interest of the loan made pursuant to sections 216C.37 and 298.292 to 298.298. For energy
loans approved after March 1, 1998, under sections 216C.37 and 298.292 to 298.298.
school districts must annually transfer from the general fund to the debt redemption fund
the amount sufficient to pay interest and principal on the loans.

**EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
later.

Sec. 16. Minnesota Statutes 2015 Supplement, section 126C.48, subdivision 8, is
amended to read:

Subd. 8. **Taconite payment and other reductions.** (1) Reductions in levies
pursuant to subdivision 1 must be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts that have revenue
pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed
under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34 to
298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon severed
mineral values must reduce the levies authorized by this chapter and chapters 120B, 122A,
123A, 123B, 124A, 124D, 125A, and 127A, excluding the student achievement levy
under section 126C.13, subdivision 3b, by 95 percent of the sum of the previous year's
revenue specified under this clause and the amount attributable to the same production
year distributed to the cities and townships within the school district under section 298.28,
subdivision 2, paragraph (c).

(3) The amount of any voter approved referendum, facilities down payment, and
debt levies shall not be reduced by more than 50 percent under this subdivision, except
that payments under section 298.28, subdivision 7a, may reduce the debt service levy by
more than 50 percent. In administering this paragraph, the commissioner shall first reduce
the nonvoter approved levies of a district; then, if any payments, severed mineral value
tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall
reduce any voter approved referendum levies authorized under section 126C.17; then, if
any payments, severed mineral value tax revenue or recognized revenue under paragraph
(2) remains, the commissioner shall reduce any voter approved facilities down payment
levies authorized under section 123B.63 and then, if any payments, severed mineral value
tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall
reduce any voter approved debt levies.

(4) Before computing the reduction pursuant to this subdivision of the health and
safety long-term facilities maintenance levy authorized by sections 123B.57 and 126C.40;
subdivision 5 section 123B.595, the commissioner shall ascertain from each affected
school district the amount it proposes to levy under each section or subdivision. The
reduction shall be computed on the basis of the amount so ascertained.
(5) To the extent the levy reduction calculated under paragraph (2) exceeds the limitation in paragraph (3), an amount equal to the excess must be distributed from the school district's distribution under sections 298.225, 298.28, and 477A.15 in the following year to the cities and townships within the school district in the proportion that their taxable net tax capacity within the school district bears to the taxable net tax capacity of the school district for property taxes payable in the year prior to distribution. No city or township shall receive a distribution greater than its levy for taxes payable in the year prior to distribution. The commissioner of revenue shall certify the distributions of cities and towns under this paragraph to the county auditor by September 30 of the year preceding distribution. The county auditor shall reduce the proposed and final levies of cities and towns receiving distributions by the amount of their distribution. Distributions to the cities and towns shall be made at the times provided under section 298.27.

**EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and later.

Sec. 17. Minnesota Statutes 2014, section 126C.63, subdivision 7, is amended to read:

Subd. 7. Required debt service levy. "Required debt service levy" means the total dollar amount needed to be included in the taxes levied by the district in any year for payment of interest and principal falling due on its debts prior to collection of the next ensuing year's debt service levy, excluding the debt service levy for obligations under sections 123B.595, 123B.61, and 123B.62.

**EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and later.

Sec. 18. Laws 2011, First Special Session chapter 11, article 4, section 8, is amended to read:

Sec. 8. **EARLY REPAYMENT.**

(a) A school district that received a maximum effort capital loan prior to January 1, 1997, may repay the full outstanding original principal on its capital loan prior to July 1, 2012, and the liability of the district on the loan is satisfied and discharged and interest on the loan ceases.

(b) A school district with an outstanding capital loan balance that received a maximum effort capital loan prior to January 1, 2007, may repay to the commissioner of education by November 30, 2016, the full outstanding original principal on its capital loan.
loan and the liability of the district on the loan is satisfied and discharged and interest on the loan ceases.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 19. **INTERNET BROADBAND EXPANSION FOR STUDENTS:**

**INNOVATIVE GRANTS.**

Subdivision 1. **Broadband Wi-Fi hot spots.** (a) A school district is eligible for a broadband hot spot grant not to exceed $100,000 to support wireless off-campus learning through a student's use of a data card, USB modem, or other mobile broadband device that enables the student to access learning materials available on the Internet through a mobile broadband connection. A district's application for a grant under this subdivision must describe its approach for identifying and prioritizing access for low-income students and others otherwise unable to access the Internet and may include a description of local or private matching grants or in-kind contributions. When evaluating applications, the commissioner may give priority to grant applications that include local in-kind contributions.

(b) A school district may develop its application in cooperation with its community education department, its adult basic education program provider, a public library, or other community partner. A cooperative grant award under this paragraph may not exceed $200,000.

(c) A school district that qualifies for general education transportation sparsity revenue under Minnesota Statutes, section 126C.10, may apply to the commissioner of education for a school bus Internet access grant as a part of its grant application under paragraph (a). The commissioner of education must prioritize grants to districts with the longest bus routes. A school district that receives a grant under this subdivision may use the grant to purchase or lease equipment designed to make Internet access available on school buses, including routers and mobile Wi-Fi hot spots to connect to the Internet, and may also purchase or lease one-to-one devices for students. The one-to-one devices may be connected to the Internet through the Wi-Fi hot spot or otherwise contain content for age-appropriate, self-directed learning.

Subd. 2. **Capacity-building grants.** A school district that is a member of a telecommunications access cluster may submit an application approved by its telecommunications access cluster to the commissioner of education for a broadband access grant. The grant application may include a description of local or private matching grants or in-kind contributions. When evaluating applications, the commissioner may give...
priority to grant applications that include local in-kind contributions. The maximum
amount of each grant may not exceed $100,000. The grant may be used in any manner and
with any community partners that allow the school district to expand telecommunications
access to its students, teachers, and community members.

Subd. 3. **Internet access for students.** Consistent with Minnesota Statutes, section
125B.15, all grant applications submitted under this section must demonstrate to the
commissioner's satisfaction that the Internet access provided through the grant proceeds
will include filtering technology or other effective methods to limit student access to
material that is reasonably believed to be obscene, child pornography, or material harmful
to minors under federal or state law.

Sec. 20. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are
appropriated from the general fund to the commissioner of education for the fiscal years
designated.

Subd. 2. **Broadband expansion grants.** For broadband expansion grants:

$7,000,000 .... 2017

Of this amount, $5,000,000 is for broadband Wi-Fi hot spots under section 19,
subdivision 1, and $2,000,000 is for capacity-building grants under section 19, subdivision
2. This is a onetime appropriation. This appropriation is available until June 30, 2019.

Sec. 21. **REPEALER.**

Minnesota Statutes 2014, sections 123B.60, subdivision 2; and 123B.79,
subdivisions 2 and 6, are repealed for fiscal year 2017 and later.

**ARTICLE 12**

**EARLY CHILDHOOD EDUCATION**

Section 1. **[124D.1295] EARLY LEARNING PROGRAM COORDINATION.**

Subdivision 1. **Early learning program coordination.** A school board, after
receiving written comments from its early childhood advisory council or its community
education council, may adopt a resolution allowing the district to offer an integrated early
learning program. An integrated early learning program may provide for early childhood
family education services, school readiness services, and other early learning programs
providing services to parents and children. A school district's integrated early learning
program must continue to contain components of parent education, opportunities for early
learning activities for families with young children, and school readiness activities.

Subd. 2. Early learning program revenue sources. A school district's early
learning program revenue includes its early childhood family education revenue under
section 124D.135, school readiness program revenue under section 124D.16, and any
other revenues set aside for early learning activities.

Subd. 3. Reserve account. A district that offers an integrated early learning
program must place all of the revenue it receives under subdivision 2 in an early learning
program reserve account established in the community service fund.

EFFECTIVE DATE. This section is effective for fiscal year 2017 and later.

Sec. 2. Minnesota Statutes 2014, section 124D.13, subdivision 1, is amended to read:

Subdivision 1. Establishment; purpose. A district that provides a community
education program under sections 124D.18 and 124D.19 may establish an early childhood
family education program as an individual program or as a part of an early learning
program under section 124D.1295. Two or more districts, each of which provides a
community education program, may cooperate to jointly provide an early childhood
family education program. The purpose of the early childhood family education program
is to provide parenting education to support children's learning and development.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 3. Minnesota Statutes 2014, section 124D.13, subdivision 5, is amended to read:

Subd. 5. Separate accounts. The district operating an early childhood family
education program independent of an early learning program under section 124D.1295
must maintain a separate account within the community education fund for money for
early childhood family education programs.

EFFECTIVE DATE. This section is effective for fiscal year 2017 and later.

Sec. 4. Minnesota Statutes 2014, section 124D.13, subdivision 9, is amended to read:

Subd. 9. District advisory councils. The board must appoint an advisory council
from the area in which the program is provided. A majority of the council must be parents
participating in the program, who represent the demographics of the community. The
district must ensure, to the extent possible, that the council includes representation of
families who are racially, culturally, linguistically, and economically diverse. The council
must assist the board in developing, planning, and monitoring the early childhood family
education program and the early learning program under section 124D.1295. The council
must report to the board and the community education advisory council.

**EFFECTIVE DATE.** This section is effective July 1, 2016.

Sec. 5. Minnesota Statutes 2014, section 124D.135, subdivision 5, is amended to read:

Subd. 5. Use of revenue restricted. (a) Early childhood family education revenue
may be used only for early learning programs, including early childhood family education
programs.

(b) Not more than five percent of early childhood family education revenue, as defined
in subdivision 7, may be used to administer early childhood family education programs.

(c) An early childhood family education program may use up to ten percent of its
early childhood family education revenue as defined in subdivision 1, including revenue
from participant fees, for equipment that is used in the early childhood family education
program. This revenue may only be used for the following purposes:

1. to purchase or lease computers and related materials; and
2. to purchase or lease equipment for instruction for participating children and
their families.

If a district anticipates an unusual circumstance requiring its early childhood family
education program capital expenditures to exceed the ten percent limitation, prior approval
to exceed the limit must be obtained in writing from the commissioner.

**EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

Sec. 6. Minnesota Statutes 2014, section 124D.135, subdivision 7, is amended to read:

Subd. 7. Reserve account. Early childhood family education revenue, which
includes aids, levies, fees, grants, and all other revenues received by the district for early
childhood family education programs, must be maintained in either an early learning
program reserve account or a separate early childhood family education reserve account
within the community service fund.

**EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

Sec. 7. Minnesota Statutes 2014, section 124D.15, subdivision 1, is amended to read:

Subdivision 1. Establishment; purpose. A district, charter school, or a group of
districts or charter schools may establish a school readiness program for children age
three to kindergarten entrance. The purpose of a school readiness program is to prepare
children to enter kindergarten.
Sec. 8. Minnesota Statutes 2014, section 124D.15, subdivision 3a, is amended to read:

Subd. 3a. Application and reporting requirements. (a) A school readiness program provider must submit a biennial plan for approval by the commissioner before receiving aid under section 124D.16. The plan must describe how the program meets the program requirements under subdivision 3. A school district or charter school must submit the plan for approval by the commissioner in the form and manner and by the date prescribed by the commissioner. One half the districts must first submit the plan by April 1, 2006, and one half the districts must first submit the plan by April 1, 2007, as determined by the commissioner.

(b) Programs receiving school readiness funds annually must submit a report to the department.

Sec. 9. Minnesota Statutes 2015 Supplement, section 124D.16, subdivision 2, is amended to read:

Subd. 2. Amount of aid. (a) A district or charter school is eligible to receive school readiness aid for eligible prekindergarten pupils enrolled in a school readiness program under section 124D.15 if the biennial plan required by section 124D.15, subdivision 3a, has been approved by the commissioner.

(b) A school district must receive school readiness aid equal to:

(1) the number of four-year-old children in the district on October 1 for the previous school year times the ratio of 50 percent of the total school readiness aid for that year to the total number of four-year-old children reported to the commissioner for the previous school year; plus

(2) the number of pupils enrolled in the school district from families eligible for the free or reduced-price school lunch program for the previous school year times the ratio of 50 percent of the total school readiness aid for that year to the total number of pupils in the state from families eligible for the free or reduced-price school lunch program for the previous school year.

(c) The total school readiness aid entitlement equals $23,558,000 for fiscal year 2016 and $33,683,000 for fiscal year 2017 and later.

(d) If the aid entitlement in paragraph (c) is increased above $33,683,000 for any year, the commissioner must calculate the school readiness aid entitlement for charter schools equal to the aid entitlement in the current year less $33,683,000. A charter school's school readiness aid equals:

(1) the number of kindergarten pupils enrolled in the charter school on October 1 for the previous school year times the ratio of 50 percent of the total charter school readiness

Article 12 Sec. 9.
aid for that year to the total number of charter school kindergarten pupils reported to the commissioner for the previous school year; plus

(2) the number of pupils enrolled in the charter school from families eligible for the free or reduced-price school lunch program for the previous school year times the ratio of 50 percent of the total charter school readiness aid for that year to the total number of pupils in all charter schools from families eligible for the free or reduced-price school lunch program for the previous school year.

(e) If the aid entitlement under paragraph (c) is increased above $36,683,000, the commissioner must combine the counts for school districts and charter schools under paragraphs (b) and (c) and compute aid amounts accordingly.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018 and later.

Sec. 10. Minnesota Statutes 2014, section 124D.16, subdivision 3, is amended to read:

Subd. 3. **Use of aid.** School readiness aid shall be used only to provide a school readiness program or an early learning program and may be used to provide transportation. Not more than five percent of program revenue, as defined in subdivision 5, may be used for the cost of administering the program. Aid must be used to supplement and not supplant local, state, and federal funding. Aid may not be used for instruction and services required under sections 125A.03 to 125A.24 and 125A.65. Aid may not be used to purchase land or construct buildings, but may be used to lease or renovate existing buildings.

**EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

Sec. 11. Minnesota Statutes 2014, section 124D.16, subdivision 5, is amended to read:

Subd. 5. **Reserve account.** School readiness revenue, which includes aids, fees, grants, and all other revenues received by the district school readiness programs, must be maintained in either an early learning program reserve account or a school readiness reserve account within the community service fund.

**EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

Sec. 12. Minnesota Statutes 2014, section 124D.165, as amended by Laws 2015, First Special Session chapter 3, article 9, section 6, is amended to read:

**124D.165 EARLY LEARNING SCHOLARSHIPS.**
Subdivision 1. Establishment; purpose. There is established an early learning scholarships program in order to increase access to high-quality early childhood programs for children ages three to five.

Subd. 2. Family eligibility. (a) For a family to receive an early learning scholarship, parents or guardians must meet the following eligibility requirements:

(1) have a child three or four years of age on September 1 of the current school year, who has not yet started kindergarten; and

(2) have income equal to or less than 185 percent of federal poverty level income in the current calendar year, or be able to document their child's current participation in the free and reduced-price lunch program or child and adult care food program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or placement in foster care under section 260C.212.

(b) Notwithstanding the other provisions of this section, a child from birth to age five and not yet enrolled in kindergarten is eligible for an early learning scholarship if the child's family meets the income eligibility standard established in paragraph (a), clause (2), and:

(1) the child's parent is under age 21 who is pursuing a high school or general education equivalency diploma is eligible for an early learning scholarship if the parent has a child age zero to five years old and meets the income eligibility guidelines in this subdivision;

(2) the child is in foster care or otherwise a child in need of protection or services; or

(3) the child's family has experienced homelessness in the last 24 months.

(c) Any siblings between the ages zero to five years old of a child who has been awarded a scholarship under this section must be awarded a scholarship upon request, provided the sibling attends the same program as long as funds are available.

(d) A child who has received a scholarship under this section must continue to receive a scholarship each year until that child is eligible for kindergarten under section 120A.20 and as long as funds are available.

(e) Early learning scholarships may not be counted as earned income for the purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.
(f) A child from an adjoining state whose family resides at a Minnesota address as
assigned by the United States Postal Service, who has received developmental screening
under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district,
and whose family meets the criteria of paragraph (a) is eligible for an early learning
scholarship under this section.

Subd. 3. Administration. (a) The commissioner shall establish application
timelines and determine the schedule for awarding scholarships that meets operational
needs of eligible families and programs. The commissioner may prioritize applications
on factors including:

1. family income;
2. geographic location; and
3. whether the child's family is on a waiting list for a publicly funded program
providing early education or child care services;
4. whether the child is in foster care or otherwise a child in need of protection or
services; and
5. whether the child's family has experienced homelessness in the last 24 months.

(b) For fiscal years 2014 and 2015 only, scholarships may not exceed $5,000 per year
for each eligible child. For fiscal year 2016 and later, the commissioner shall establish
a target for the average scholarship amount per child based on the results of the rate
survey conducted under section 119B.02. The commissioner may award a scholarship
in excess of this amount to a child who qualifies for priority enrollment under paragraph
(a), clause (4) or (5).

(c) A four-star rated program that has children eligible for a scholarship enrolled
in or on a waiting list for a program beginning in July, August, or September may notify
the commissioner, in the form and manner prescribed by the commissioner, each year of
the program's desire to enhance program services or to serve more children than
current funding provides. The commissioner may designate a predetermined number of
scholarship slots for that program and notify the program of that number. Beginning July
1, 2016, a school district or Head Start program qualifying under this paragraph, a licensed
child care center, or a family child care provider may use its established registration
process to enroll scholarship recipients and may verify a scholarship recipient's family
income in the same manner as for other program participants. Scholarships awarded under
this section must be paid to the eligible program provider designated by the award recipient
and must be transferred to another eligible program provider at the recipient's request.

(d) A scholarship is awarded for a 12-month period. If the scholarship recipient has
not been accepted and subsequently enrolled in a rated program within ten months of the
awarding of the scholarship, the scholarship cancels and the recipient must reapply in
order to be eligible for another scholarship. A child may not be awarded more than one
scholarship in a 12-month period.

(e) A child who receives a scholarship who has not completed development
screening under sections 121A.16 to 121A.19 must complete that screening within 90
days of first attending an eligible program.

(f) For fiscal year 2017 2018 and later, a school district or Head Start program
enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in
the form and manner prescribed by the commissioner, for direct payment of state aid.

Upon receipt of the application, the commissioner must pay each program directly for
each approved scholarship recipient enrolled under paragraph (c) according to the metered
payment system or another schedule established by the commissioner. The total amount of
funding directly allocated to a program under paragraph (c) must not exceed the amount
directly awarded to that program in fiscal year 2017.

Subd. 4. Early childhood program eligibility. (a) In order to be eligible to accept
an early learning scholarship, a program must:

(1) participate in the quality rating and improvement system under section
124D.142; and

(2) beginning July 1, 2016 2020, have a three- or four-star rating in the quality
rating and improvement system.

(b) Any program accepting scholarships must use the revenue to supplement and not
supplant federal funding.

(c) Notwithstanding paragraph (a), all Minnesota early learning foundation
scholarship program pilot sites are eligible to accept an early learning scholarship under
this section.

(d) Notwithstanding paragraph (a), beginning September 1, 2016, a qualifying newly
opened program carries the rating of its affiliated program for its first two years of operation.

(e) For purposes of this subdivision, "qualifying newly opened program" means
a program in its first two years of operation actively pursuing a rating whose on-site
director has experience operating a three- or four-star rated program, and "affiliated
program" means a program with which the newly opened program shares an ownership or
management interest or is otherwise structurally linked.

Subd. 5. Report required. The commissioner shall contract with an independent
contractor to evaluate the early learning scholarship program. The evaluation must
include recommendations regarding the appropriate scholarship amount, efficiency, and
effectiveness of the administration, and impact on kindergarten readiness. By January
15, 2016, the commissioner shall submit a written copy of the evaluation to the chairs
and ranking minority members of the legislative committees and divisions with primary
jurisdiction over kindergarten through grade 12 education.

**EFFECTIVE DATE.** This section is effective July 1, 2016.

Sec. 13. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 7,
is amended to read:

Subd. 7. **Parent-child home program.** For a grant to the parent-child home
program:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>2016</td>
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<tr>
<td>2017</td>
<td>$2,350,000</td>
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</table>

The grant must be used for an evidence-based and research-validated early childhood
literacy and school readiness program for children ages 16 months to four years at its
existing suburban program location. The program must include urban and rural program
locations for fiscal years 2016 and 2017.

The base appropriation for this program for fiscal year 2018 and later is $350,000.

The 2017 appropriation is available until June 30, 2019.

To the extent practicable, the parent-child home program is encouraged to expend
the fiscal year 2017 appropriation equally over fiscal years 2017, 2018, and 2019.

Sec. 14. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 9,
is amended to read:

Subd. 9. **Quality Rating System.** For transfer to the commissioner of human
services for the purposes of expanding the Quality Rating and Improvement System under
Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for
providers participating in the Quality Rating and Improvement System:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$1,200,000</td>
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<tr>
<td>2017</td>
<td>$2,300,000</td>
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<tr>
<td>2017</td>
<td>$4,300,000</td>
</tr>
</tbody>
</table>

To the extent possible, the commissioner must direct at least $2,000,000 of the 2017
appropriation toward increasing access and providing training assistance to providers who
are located in underserved or low-income neighborhoods.

Any balance in the first year does not cancel but is available in the second year. The
base for this program in fiscal year 2018 and later is $1,750,000.

**EFFECTIVE DATE.** This section is effective July 1, 2016.
Sec. 15. **REPORT ON EARLY CHILDHOOD PROGRAM PROVIDERS.**

The Department of Education, in coordination with the Department of Human Services, must provide a report to the legislature by February 15, 2017, summarizing available data collected on the demographics of early childhood providers and other early childhood program staff, administrators, and board members.

Sec. 16. **APPROPRIATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the commissioner of education for the fiscal year designated.

Subd. 2. **St. Cloud preschool pilot program.** For a grant to Independent School District No. 742, St. Cloud, to establish a preschool pilot program targeting low-income students and English language learners.

$ 430,000 .... 2017

Funds appropriated in this section are to be used to create morning and afternoon preschool sessions, serving at least 90 students from families with low income or from families where English is not the primary language spoken in the child's home environment. The funds appropriated under this section may be used to purchase developmentally appropriate furniture and materials, instructional materials, and curriculum materials; hire and train teachers and staff; and offset transportation costs.

Independent School District No. 742, St. Cloud, must submit an annual report by January 15 of 2017, 2018, and 2019, describing the activities undertaken and outcomes achieved with this grant. The 2019 report must contain recommendations for other districts interested in similar prekindergarten programs.

This is a onetime appropriation. The fiscal year 2017 appropriation is available until June 30, 2019.

**ARTICLE 13**

**SELF-SUFFICIENCY AND LIFELONG LEARNING**

Section 1. Minnesota Statutes 2014, section 124D.52, subdivision 1, is amended to read:

Subdivision 1. **Program requirements.** (a) An adult basic education program is a day or evening program offered by a district that is for people over 16 years of age who do not attend an elementary or secondary school and are not subject to compulsory attendance. The program offers academic and English language instruction necessary to earn a high school diploma or equivalency certificate.
(b) Notwithstanding any law to the contrary, a school board or the governing body of a consortium offering an adult basic education program may adopt a sliding fee schedule based on a family's income, but must waive the fee for participants who are under the age of 21 or unable to pay. The fees charged must be designed to enable individuals of all socioeconomic levels to participate in the program. A program may charge a security deposit to assure return of materials, supplies, and equipment.

c) Each approved adult basic education program must develop a memorandum of understanding with the local workforce development centers located in the approved program's service delivery area. The memorandum of understanding must describe how the adult basic education program and the workforce development centers will cooperate and coordinate services to provide unduplicated, efficient, and effective services to clients.

d) Adult basic education aid must be spent for adult basic education purposes as specified in sections 124D.518 to 124D.531.

e) A state-approved adult basic education program must count and submit student contact hours for a program that offers high school credit toward an adult high school diploma according to student eligibility requirements and measures of student progress toward work-based competency and, where appropriate, English language proficiency requirements established by the commissioner and posted on the department Web site in a readily accessible location and format.

Sec. 2. Minnesota Statutes 2014, section 124D.52, subdivision 2, is amended to read:

Subd. 2. Program approval. (a) To receive aid under this section, a district, a consortium of districts, the Department of Corrections, or a private nonprofit organization, or a consortium including districts, nonprofit organizations, or both must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

1) how the needs of different levels of learning and English language proficiency will be met;

2) for continuing programs, an evaluation of results;

3) anticipated number and education level of participants;

4) coordination with other resources and services;

5) participation in a consortium, if any, and money available from other participants;

6) management and program design;

7) volunteer training and use of volunteers;

8) staff development services;

9) program sites and schedules;
(10) program expenditures that qualify for aid;

(11) program ability to provide data related to learner outcomes as required by law; and

(12) a copy of the memorandum of understanding described in subdivision 1 submitted to the commissioner.

(b) Adult basic education programs may be approved under this subdivision for up to five years. Five-year program approval must be granted to an applicant who has demonstrated the capacity to:

(1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill and English language levels of need;

(2) provide a participatory and experiential learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:

(i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;

(ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;

(iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and

(iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;

(3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such as transportation, English language learning, flexible course scheduling, convenient class locations, and child care;

(4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational education providers, to arrange for resources and services through which adults can attain economic self-sufficiency;

(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;

(6) participate in regional adult basic education peer program reviews and evaluations;

(7) submit accurate and timely performance and fiscal reports;

(8) submit accurate and timely reports related to program outcomes and learner follow-up information; and
(9) spend adult basic education aid on adult basic education purposes only, which
are specified in sections 124D.518 to 124D.531.

(c) The commissioner shall require each district to provide notification by February
1, 2001, of its intent to apply for funds under this section as a single district or as part of
an identified consortium of districts. A district receiving funds under this section must
notify the commissioner by February 1 of its intent to change its application status for
applications due the following June 1.

Sec. 3. Minnesota Statutes 2014, section 124D.55, is amended to read:

124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.

The commissioner shall pay 60 percent of the fee that is charged to an eligible
individual for the full battery of a general education development (GED) test tests, but not
more than $40 for an eligible individual.

For fiscal year 2017 only, the commissioner shall pay 100 percent of the fee charged
to an eligible individual for the full battery of general education development (GED) tests,
but not more than the cost of one full battery of tests per year for any individual.

Sec. 4. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision 3,
is amended to read:

Subd. 3. GED tests. For payment of 60 percent of the costs of GED tests under
Minnesota Statutes, section 124D.55:

$  125,000  .....  2016
$  245,000  .....  2017

The base appropriation for fiscal year 2018 and later is $125,000.

Sec. 5. APPROPRIATIONS.

Subdivision 1. Department of Education. The sums indicated in this section are
appropriated from the general fund to the commissioner of education for the fiscal years
designated.

Subd. 2. Adult basic education. For a grant for additional adult basic aid:

$  400,000  .....  2017

The International Education Center, the American Indian Opportunities
Industrialization Center, and the Minnesota Office of Communication Service for the Deaf
are eligible for additional adult basic education aid for innovative programs for fiscal year
2017 only. The onetime aid for each organization equals $400,000 times the ratio of the
organization's number of students served for the previous fiscal year to the sum of the
three organizations' number of students served for the previous fiscal year.

This is a onetime appropriation.

ARTICLE 14

STATE AGENCIES

Section 1. Minnesota Statutes 2014, section 122A.14, subdivision 9, is amended to read:

Subd. 9. Fee. Each person licensed by the Board of School Administrators shall pay
the board a fee of $75, collected each fiscal year. When transmitting notice of the license
fee, the board also must notify the licensee of the penalty for failing to pay the fee within
the time specified by the board. The board may provide a lower fee for persons on retired
or inactive status. After receiving notice from the board, any licensed school administrator
who does not pay the fee in the given fiscal year shall have all administrative licenses held
by the person automatically suspended, without the right to a hearing, until the fee has been
paid to the board. If the board suspends a licensed school administrator for failing to pay
the fee, it must immediately notify the district currently employing the school administrator
of the school administrator's suspension. The executive secretary shall deposit the fees in
the educator licensure account in the special revenue fund in the state treasury.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 2. Minnesota Statutes 2014, section 122A.18, subdivision 7c, is amended to read:

Subd. 7c. Temporary military license. The Board of Teaching shall establish
a temporary license in accordance with section 197.4552 for teaching. The fee for a
temporary license under this subdivision shall be $87.90 for an online application or
$86.40 for a paper application. The board must deposit the fees received from applicants
in the educator licensure account in the special revenue fund.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 3. Minnesota Statutes 2014, section 122A.18, subdivision 8, is amended to read:

Subd. 8. Background checks. (a) The Board of Teaching and the commissioner
of education must request a criminal history background check from the superintendent
of the Bureau of Criminal Apprehension on all applicants for initial licenses under their
jurisdiction. An application for a license under this section must be accompanied by:

(1) an executed criminal history consent form, including fingerprints; and
(2) a money order or cashier's check payable to the Bureau of Criminal Apprehension for the fee for conducting payment to conduct the criminal history background check. The Board of Teaching and the commissioner of education must deposit payments received under this subdivision in the educator licensure background check account in the special revenue fund.

(b) The superintendent of the Bureau of Criminal Apprehension shall perform the background check required under paragraph (a) by retrieving criminal history data as defined in section 13.87 and shall also conduct a search of the national criminal records repository. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall recover the cost to the bureau of a background check through the fee charged to the applicant under paragraph (a).

(c) The Board of Teaching or the commissioner of education may issue a license pending completion of a background check under this subdivision, but must notify the individual that the individual's license may be revoked based on the result of the background check.

**EFFECTIVE DATE.** This section is effective July 1, 2016.

Sec. 4. [122A.185] SPECIAL REVENUE FUND ACCOUNTS; EDUCATOR LICENSURE AND BACKGROUND CHECKS.

Subdivision 1. Educator licensure account. An educator licensure account is created in the special revenue fund. Applicant licensure fees received by the Department of Education, the Board of Teaching, or the Board of School Administrators must be deposited in the educator licensure account. Any funds appropriated from this account that remain unexpended at the end of the biennium cancel to the educator licensure account in the special revenue fund.

Subd. 2. Background check account. An educator licensure background check account is created in the special revenue fund. The Department of Education, the Board of Teaching, and the Board of School Administrators must deposit all payments submitted by license applicants for criminal background checks conducted by the Bureau of Criminal Apprehension in the educator licensure background check account. Amounts in the account are annually appropriated to the commissioner of education for payment to the superintendent of the Bureau of Criminal Apprehension for the costs of background checks on applicants for licensure.

**EFFECTIVE DATE.** This section is effective July 1, 2016.
Sec. 5. Minnesota Statutes 2014, section 122A.21, subdivision 1, is amended to read:

Subdivision 1. Licensure applications. Each applicant submitting an application for the issuance, renewal, or extension of an educator license to teach, including applications for licensure via portfolio under subdivision 2, must be accompanied by a processing fee of $57. Each application for issuing, renewing, or extending the license of a school administrator or supervisor must be accompanied by a processing fee in the amount set by the Board of Teaching. The processing fee for a teacher’s license and for the licenses of supervisory personnel must be paid to the executive secretary of the appropriate board and deposited in the educator licensure account in the special revenue fund. The executive secretary of the board shall deposit the fees with the commissioner of management and budget. The fees as set by the board are nonrefundable for applicants not qualifying for a license. However, a fee must be refunded by the commissioner of management and budget must refund a fee in any case in which the applicant already holds a valid unexpired license. The board may waive or reduce fees for applicants who apply at the same time for more than one license.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 6. Minnesota Statutes 2015 Supplement, section 122A.21, subdivision 2, is amended to read:

Subd. 2. Licensure via portfolio. (a) An eligible candidate may use licensure via portfolio to obtain an initial licensure or to add a licensure field, consistent with applicable Board of Teaching licensure rules.

(b) A candidate for initial licensure must submit to the Educator Licensing Division at the department one portfolio demonstrating pedagogical competence and one portfolio demonstrating content competence.

(c) A candidate seeking to add a licensure field must submit to the Educator Licensing Division at the department one portfolio demonstrating content competence.

(d) The Board of Teaching must notify a candidate who submits a portfolio under paragraph (b) or (c) within 90 calendar days after the portfolio is received whether or not the portfolio was approved. If the portfolio was not approved, the board must immediately inform the candidate how to revise the portfolio to successfully demonstrate the requisite competence. The candidate may resubmit a revised portfolio at any time and the Educator Licensing Division at the department must approve or disapprove the portfolio within 60 calendar days of receiving it.

(e) A candidate must pay to the executive secretary of the Board of Teaching a $300 fee for the first portfolio submitted for review and a $200 fee for any portfolio submitted
subsequently. The candidate must pay the fees to the executive secretary of the Board of Teaching. The revenue generated from the Board of Teaching executive secretary must deposit the fee in an education portfolio account in the special revenue fund. The fees set by the Board of Teaching are nonrefundable for applicants not qualifying for a license. The Board of Teaching may waive or reduce fees for candidates based on financial need.

**EFFECTIVE DATE.** This section is effective July 1, 2016.

Sec. 7. Minnesota Statutes 2014, section 122A.21, is amended by adding a subdivision to read:

**Subd. 3. Annual appropriations.** The amounts collected under subdivision 2 and deposited in the educator licensure account in the special revenue fund are annually appropriated to the Board of Teaching.

**EFFECTIVE DATE.** This section is effective July 1, 2016.

Sec. 8. Minnesota Statutes 2015 Supplement, section 122A.415, subdivision 3, is amended to read:

**Subd. 3. Revenue timing.** (a) Districts, intermediate school districts, cooperatives, school sites, or charter schools with approved applications must receive alternative compensation revenue for each school year that the district, intermediate school district, cooperative, school site, or charter school implements an alternative teacher professional pay system under this subdivision and section 122A.414. A qualifying district, intermediate school district, cooperative, school site, or charter school that received alternative teacher compensation aid for the previous fiscal year must receive at least an amount of alternative teacher compensation revenue equal to the lesser of the amount it received for the previous fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if the district, intermediate school district, cooperative, school site, or charter school submits a timely application and the commissioner determines that the district, intermediate school district, cooperative, school site, or charter school continues to implement an alternative teacher professional pay system, consistent with its application under this section.

(b) The commissioner shall approve applications that comply with subdivision 1, and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter school or cooperative, in the order in which they are received, select applicants that qualify for this program, notify school districts, intermediate school districts, cooperatives,
school sites, and charter schools about the program, develop and disseminate application
materials, and carry out other activities needed to implement this section.

c) A school district, intermediate school district, cooperative, school site, or charter
school with an approved application and a written notice from the commissioner that the
district qualifies for its first year of alternative compensation revenue must receive revenue
for that year according to section 127A.41, subdivision 2.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2016
and later.

Sec. 9. Minnesota Statutes 2014, section 127A.41, subdivision 2, is amended to read:

Subd. 2. Errors in distribution. (a) On determining that the amount of state aid
distributed to a school district is in error, the commissioner is authorized to adjust the
amount of aid consistent with this subdivision. On determining that the amount of aid is
in excess of the school district's entitlement, the commissioner is authorized to recover
the amount of the excess by any appropriate means. Notwithstanding the fiscal years
designated by the appropriation, the excess may be recovered by reducing future aid
payments to the district. Notwithstanding any law to the contrary, if the aid reduced is not
of the same type as that overpaid, the district must adjust all necessary financial accounts
to properly reflect all revenues earned in accordance with the uniform financial accounting
and reporting standards pursuant to sections 123B.75 to 123B.83. Notwithstanding the
fiscal years designated by the appropriation, on determining that the amount of an aid paid
is less than the school district's entitlement, the commissioner is authorized to increase
such aid from the current appropriation. If the aid program has been discontinued and has
no appropriation, the appropriation for general education shall be used for recovery or
payment of the aid decrease or increase. Any excess of aid recovery over aid payment
shall be canceled to the state general fund.

(b) If the commissioner determines that an error in aid payments to a school under
section 122A.415, subdivision 3, paragraph (c), cannot be corrected under this section,
the commissioner must transfer the necessary funds and make those payments from the
Department of Education's annual operating budget.

EFFECTIVE DATE. This section is effective the day following final enactment for
aid adjustments for fiscal year 2016 and later.

Sec. 10. Laws 2015, First Special Session chapter 3, article 12, section 4, is amended
to read:
Sec. 4. APPROPRIATIONS; DEPARTMENT OF EDUCATION.

Subdivision 1. Department of Education. Unless otherwise indicated, the sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. Department. (a) For the Department of Education:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2016</td>
<td>$21,246,000</td>
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<tr>
<td>2017</td>
<td>$20,075,000</td>
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(b) The fiscal year 2017 appropriation includes $19,173,000 from the general fund and $916,000 is from the educator licensure account in the special revenue fund.

Of these amounts:

(1) $718,000 in fiscal year 2016 is for the Board of Teaching;

(2) $228,000 in fiscal year 2016 and $231,000 in fiscal year 2017 are for the Board of School Administrators;

(3) $1,000,000 in fiscal year 2016 only is for Regional Centers of Excellence under Minnesota Statutes, section 120B.115;

(4) $500,000 each year is for the School Safety Technical Assistance Center under Minnesota Statutes, section 127A.052;

(5) $250,000 each year is for the School Finance Division to enhance financial data analysis; and

(6) $441,000 in fiscal year 2016 and $720,000 in fiscal year 2017 is for implementing Laws 2014, chapter 272, article 1, Minnesota's Learning for English Academic Proficiency and Success Act, as amended.

(b)

(c) Any balance in the first year does not cancel but is available in the second year.

(e) (d) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C. office.

(e) (d) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

(e) (f) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the Department of Education under the rates and mechanism specified in that agreement.
If a school qualifying for aid under Minnesota Statutes, section 122A.415, subdivision 3, paragraph (c), does not receive aid under that section or Minnesota Statutes, section 127A.41, subdivision 2, paragraph (b), the commissioner must transfer the amounts necessary to make these payments from the agency appropriation in paragraph (a) to the appropriation for alternative compensation revenue.

(h) $51,000 in fiscal year 2017 is for agency compliance.

(i) The agency's base budget in fiscal year 2018 is $21,973,000 $20,024,000. The agency's base budget in fiscal year 2019 is $21,948,000 $19,999,000.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 11. **TRANSFERS.**

Subdivision 1. **Portfolio account.** On July 1, 2016, the commissioner of management and budget shall transfer any balances in the educator licensure portfolio account in the special revenue fund to the educator licensure account in the special revenue fund.

Subd. 2. **Background check.** Any balance in an account that holds fees collected under Minnesota Statutes, section 122A.18, subdivision 8, is transferred to the educator licensure background check account in the special revenue fund under Minnesota Statutes, section 122A.185, subdivision 2. On July 2, 2016, $80,000 is transferred from the education licensure background check account in the special revenue fund to the educator licensure account in the special revenue fund.

Sec. 12. **APPROPRIATION; BOARD OF TEACHING.**

$718,000 in fiscal year 2017 is appropriated from the educator licensure account in the special revenue fund to the Board of Teaching.

Sec. 13. **APPROPRIATION; BOARD OF SCHOOL ADMINISTRATORS.**

$231,000 in fiscal year 2017 is appropriated from the educator licensure account in the special revenue fund to the Board of School Administrators.

**ARTICLE 15**

**FORECAST ADJUSTMENTS**

Section 1. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 4, is amended to read:

Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section 127A.49:
The 2016 appropriation includes $278,000 for 2015 and $2,462,000 $2,773,000 for 2016.

The 2017 appropriation includes $273,000 $308,000 for 2016 and $2,659,000 $3,117,000 for 2017.

Sec. 2. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 5, is amended to read:

Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota Statutes, section 123A.485:

The 2016 appropriation includes $22,000 for 2015 and $270,000 for 2016.

The 2017 appropriation includes $30,000 for 2016 and $135,000 for 2017.

Sec. 3. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 6, is amended to read:

Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

The 2016 appropriation includes $1,575,000 for 2015 and $15,306,000 $15,184,000 for 2016.

The 2017 appropriation includes $1,700,000 $1,687,000 for 2016 and $15,760,000 $15,548,000 for 2017.

Sec. 4. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 7, is amended to read:

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:
Sec. 5. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 9, is amended to read:

Subd. 9. Career and technical aid. For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

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<tr>
<td>2017</td>
<td>$4,405,000</td>
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The 2016 appropriation includes $574,000 for 2015 and $4,846,000 for 2016.

The 2017 appropriation includes $538,000 for 2016 and $3,867,000 for 2017.

Sec. 6. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 3, is amended to read:

Subd. 3. Achievement and integration aid. For achievement and integration aid under Minnesota Statutes, section 124D.862:

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<tr>
<td>2016</td>
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The 2016 appropriation includes $6,382,000 for 2015 and $59,157,000 for 2016.

The 2017 appropriation includes $6,573,000 for 2016 and $62,694,000 for 2017.

Sec. 7. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 4, is amended to read:
Subd. 4. **Literacy incentive aid.** For literacy incentive aid under Minnesota Statutes, section 124D.98:

- $44,552,000
- $44,538,000 ..... 2016
- $45,508,000
- $45,855,000 ..... 2017

The 2016 appropriation includes $4,683,000 for 2015 and $39,869,000 $39,855,000 for 2016.

The 2017 appropriation includes $4,429,000 $4,428,000 for 2016 and $41,079,000 $41,427,000 for 2017.

Sec. 8. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 5, is amended to read:

Subd. 5. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

- $15,023,000
- $14,423,000
- $15,825,000
- $15,193,000 ..... 2017

The 2016 appropriation includes $204,000 for 2015 and $4,136,000 $3,335,000 for 2016.

The 2017 appropriation includes $459,000 $370,000 for 2016 and $4,631,000 $3,345,000 for 2017.

Sec. 9. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 7, is amended to read:

Subd. 7. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

- $4,240,000
- $3,539,000 ..... 2016
- $5,090,000
- $3,715,000 ..... 2017

The 2016 appropriation includes $204,000 for 2015 and $4,136,000 $3,335,000 for 2016.

The 2017 appropriation includes $459,000 $370,000 for 2016 and $4,631,000 $3,345,000 for 2017.

Sec. 11. American Indian education aid. For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:
Sec. 11. Laws 2015, First Special Session chapter 3, article 4, section 9, subdivision 2, is amended to read:

Subd. 2. Charter school building lease aid. For building lease aid under Minnesota Statutes, section 124D.11, subdivision 4:

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<td>2017</td>
<td>$69,962,000</td>
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The 2016 appropriation includes $6,032,000 for 2015 and $60,755,000 for 2016.

The 2017 appropriation includes $6,750,000 for 2016 and $66,853,000 for 2017.

Sec. 12. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision 3, is amended to read:

Subd. 3. Travel for home-based services. For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

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<td>2015</td>
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<tr>
<td>2017</td>
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The 2016 appropriation includes $35,000 for 2015 and $326,000 for 2016.

The 2017 appropriation includes $36,000 for 2016 and $335,000 for 2017.

Sec. 13. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision 5, is amended to read:

Subd. 5. Aid for children with disabilities. For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:
The 2016 appropriation includes $2,295,000 for 2015 and $18,054,000 for 2016.

The 2017 appropriation includes $2,005,000 for 2016 and $20,166,000 $20,921,000 for 2017.

Sec. 16. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision 6, is amended to read:

Subd. 6. Deferred maintenance aid. For deferred maintenance aid, according to Minnesota Statutes, section 123B.591, subdivision 4:

The 2016 appropriation includes $409,000 for 2015 and $3,111,000 $3,114,000 for 2016.

The 2017 appropriation includes $345,000 for 2016 and $0 for 2017.
Sec. 17. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision 7, is amended to read:

Subd. 7. Health and safety revenue. For health and safety aid according to Minnesota Statutes, section 123B.57, subdivision 5:

- 501,000
- 588,000 2016
- 48,000
- 57,000 2017

The 2016 appropriation includes $66,000 for 2015 and $425,000 $522,000 for 2016.
The 2017 appropriation includes $48,000 $57,000 for 2016 and $0 for 2017.

Sec. 18. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 2, is amended to read:

Subd. 2. School lunch. For school lunch aid according to Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

- 15,661,000
- 16,251,000 2016
- 15,818,000
- 16,739,000 2017

Sec. 19. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 3, is amended to read:

Subd. 3. School breakfast. For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

- 9,734,000
- 9,457,000 2016
- 10,091,000
- 10,149,000 2017

Sec. 20. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 4, is amended to read:

Subd. 4. Kindergarten milk. For kindergarten milk aid under Minnesota Statutes, section 124D.118:

- 942,000
- 788,000 2016
- 942,000
- 788,000 2017
Sec. 21. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 5, is amended to read:

Subd. 5. Early childhood family education aid. For early childhood family education aid under Minnesota Statutes, section 124D.135:

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<td>2017</td>
<td>$29,039,000</td>
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</table>

The 2016 appropriation includes $2,713,000 for 2015 and $25,721,000 $25,235,000 for 2016. The 2017 appropriation includes $2,858,000 $2,803,000 for 2016 and $27,081,000 $26,533,000 for 2017.

Sec. 22. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 6, is amended to read:

Subd. 6. Developmental screening aid. For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$3,262,000</td>
</tr>
<tr>
<td>2017</td>
<td>$3,477,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $338,000 for 2015 and $3,025,000 $3,139,000 for 2016. The 2017 appropriation includes $336,000 $348,000 for 2016 and $3,033,000 $3,140,000 for 2017.

Sec. 23. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision 2, is amended to read:

Subd. 2. Community education aid. For community education aid under Minnesota Statutes, section 124D.20:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$788,000</td>
</tr>
<tr>
<td>2017</td>
<td>$790,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $107,000 for 2015 and $681,000 $683,000 for 2016. The 2017 appropriation includes $75,000 for 2016 and $479,000 $478,000 for 2017.
Sec. 24. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision 2, is amended to read:

Subd. 2. Adult basic education aid. For adult basic education aid under Minnesota Statutes, section 124D.531:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$49,118,000</td>
<td>2016</td>
</tr>
<tr>
<td>2016</td>
<td>$48,231,000</td>
<td>2016</td>
</tr>
<tr>
<td>2017</td>
<td>$50,592,000</td>
<td>2017</td>
</tr>
<tr>
<td>2017</td>
<td>$49,683,000</td>
<td>2017</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $4,782,000 for 2015 and $44,336,000 for 2016.

The 2017 appropriation includes $4,926,000 for 2016 and $45,666,000 for 2017.

$44,856,000 for 2017.
120B.299 DEFINITIONS.

Subd. 5. Adequate yearly progress. A school or district makes "adequate yearly progress" if, for every student subgroup under the federal 2001 No Child Left Behind Act in the school or district, its proficiency index or other approved adjustments for performance, based on statewide assessment scores, meets or exceeds federal expectations. To make adequate yearly progress, the school or district also must satisfy applicable federal requirements related to student attendance, graduation, and test participation rates.

122A.40 EMPLOYMENT; CONTRACTS; TERMINATION.

Subd. 11. Unrequested leave of absence. The board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The unrequested leave is effective at the close of the school year. In placing teachers on unrequested leave, the board is governed by the following provisions:

(a) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. A teacher who has acquired continuing contract rights must not be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed;

(b) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by the school district. In the case of equal seniority, the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed is negotiable;

(c) Notwithstanding the provisions of paragraph (b), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, unless that exercise of seniority results in the placement on unrequested leave of absence of another teacher who also holds a provisional license in the same field. The provisions of this paragraph do not apply to vocational education licenses;

(d) Notwithstanding paragraphs (a), (b), and (c), if the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights, the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority, or the restriction imposed by the provisions of paragraph (c) would place the district in violation of its affirmative action program, the district may retain the probationary teacher, the teacher with less seniority, or the provisionally licensed teacher;

(e) Teachers placed on unrequested leave of absence must be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are licensed. Reinstatement must be in the inverse order of placement on leave of absence. A teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field remains on unrequested leave. The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year is negotiable;

(f) Appointment of a new teacher must not be made while there is available, on unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to that teacher who may return to employment and assume the duties of the position to which appointed on a future date determined by the board;

(g) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave;

(h) The unrequested leave of absence must not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service;

(i) The unrequested leave of absence of a teacher who is placed on unrequested leave of absence and who is not reinstated shall continue for a period of five years, after which the right to reinstatement shall terminate. The teacher's right to reinstatement shall also terminate if the teacher fails to file with the board by April 1 of any year a written statement requesting reinstatement;

(j) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 5 and 7 must apply to placement on unrequested leave of absence;
(k) Nothing in this subdivision shall be construed to impair the rights of teachers placed on unrequested leave of absence to receive unemployment benefits if otherwise eligible.

122A.41 TEACHER TENURE ACT; CITIES OF THE FIRST CLASS; DEFINITIONS.
Subd. 14. Services terminated by discontinuance or lack of pupils; preference given.
(a) A teacher whose services are terminated on account of discontinuance of position or lack of pupils must receive first consideration for other positions in the district for which that teacher is qualified. In the event it becomes necessary to discontinue one or more positions, in making such discontinuance, teachers must be discontinued in any department in the inverse order in which they were employed, unless a board and the exclusive representative of teachers in the district negotiate a plan providing otherwise.

(b) Notwithstanding the provisions of clause (a), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the Board of Teaching, unless that exercise of seniority results in the termination of services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a provisional license in the same field. The provisions of this clause do not apply to vocational education licenses.

(c) Notwithstanding the provisions of clause (a), a teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field is available for reinstatement.

122A.413 EDUCATIONAL IMPROVEMENT PLAN.
Subdivision 1. Qualifying plan. A district, intermediate school district, or a cooperative unit, as defined in section 123A.24, subdivision 2, may develop an educational improvement plan for the purpose of qualifying for the alternative teacher professional pay system under section 122A.414. The plan must include measures for improving school district, intermediate school district, cooperative, school site, teacher, and individual student performance.

Subd. 2. Plan components. The educational improvement plan must be approved by the school board or governing board and have at least these elements:

1. assessment and evaluation tools to measure student performance and progress, including the academic literacy, oral academic language, and achievement of English learners, among other measures;

2. performance goals and benchmarks for improvement;

3. measures of student attendance and completion rates;

4. a rigorous research and practice-based professional development system, based on national and state standards of effective teaching practice applicable to all students including English learners with varied needs under section 124D.59, subdivisions 2 and 2a, and consistent with section 122A.60, that is aligned with educational improvement and designed to achieve ongoing and schoolwide progress and growth in teaching practice;

5. measures of student, family, and community involvement and satisfaction;

6. a data system about students and their academic progress that provides parents and the public with understandable information;

7. a teacher induction and mentoring program for probationary teachers that provides continuous learning and sustained teacher support; and

8. substantial participation by the exclusive representative of the teachers in developing the plan.

Subd. 3. School site accountability. A district or intermediate school district that develops a plan under subdivisions 1 and 2 must ensure that each school site develops a board-approved educational improvement plan that is aligned with the district educational improvement plan under subdivision 2 and developed with the exclusive representative of the teachers. While a site plan must be consistent with the district educational improvement plan, it may establish performance goals and benchmarks that meet or exceed those of the district.

122A.74 PRINCIPALS' LEADERSHIP INSTITUTE.
Subdivision 1. Establishment. (a) The commissioner of education may contract with the Minnesota State University Mankato or the regents of the University of Minnesota to establish a Principals' Leadership Institute to provide professional development to school principals by:
(1) creating a network of leaders in the educational and business communities to communicate current and future trends in leadership techniques;
(2) helping to create a vision for the school that is aligned with the community and district priorities;
(3) developing strategies to retain highly qualified teachers and ensure that diverse student populations, including at-risk students, children with disabilities, English learners, and gifted students, among others, have equal access to these highly qualified teachers; and
(4) providing training to analyze data using culturally competent tools.
(b) The University of Minnesota must cooperate with participating members of the business community to provide funding and content for the institute.
(c) Participants must agree to attend the Principals' Leadership Institute for four weeks during the academic summer.
(d) The Principals' Leadership Institute must incorporate program elements offered by leadership programs at the University of Minnesota and program elements used by the participating members of the business community to enhance leadership within their businesses.

Subd. 2. Method of selection and requirements. (a) The board of each school district in the state may select a principal, upon the recommendation of the district's superintendent and based on the principal's leadership potential, to attend the institute.
(b) The school board annually shall forward its list of recommended participants to the commissioner by February 1. In addition, a principal may submit an application directly to the commissioner by February 1. The commissioner shall notify the school board, the principal candidates, and the University of Minnesota of the principals selected to participate in the Principals' Leadership Institute each year.

123B.60 BUILDING BONDS FOR CALAMITIES.
Subd. 2. Health and safety revenue. For any fiscal year where the total amount of health and safety revenue is limited, the commissioner must award highest priority to health and safety revenue pledged to repay building bonds issued under subdivision 1.

123B.79 PERMANENT FUND TRANSFERS.
Subd. 2. Technical colleges. Money must not be transferred from the postsecondary general fund to any other operating or nonoperating fund.
Subd. 6. Account transfer for statutory operating debt. On June 30 of each year, a district may make a permanent transfer from the general fund account entitled "net unreserved general fund balance since statutory operating debt" to the account entitled "reserved fund balance reserve account for purposes of statutory operating debt reduction." The amount of the transfer is limited to the net unreserved general fund balance. If the net unreserved general fund balance is less than zero, the district may not make a transfer.
3535.0110 DEFINITIONS.
   Subp. 6. Racially identifiable school within a district. "Racially identifiable school within a district" means a school where the enrollment of protected students at the school within a district is more than 20 percentage points above the enrollment of protected students in the entire district for the grade levels served by that school.

3535.0110 DEFINITIONS.
   Subp. 7. Racially isolated school district. "Racially isolated school district" means a district where the districtwide enrollment of protected students exceeds the enrollment of protected students of any adjoining district by more than 20 percentage points.

3535.0110 DEFINITIONS.
   Subp. 8. School. "School" means a site in a public school district serving any of kindergarten through grade 12. For purposes of parts 3535.0160 to 3535.0180 only, school does not mean:
   A. charter schools under Minnesota Statutes, chapter 124E;
   B. area learning centers under Minnesota Statutes, section 123A.05;
   C. public alternative programs under Minnesota Statutes, section 126C.05, subdivision 15;
   D. contracted alternative programs under Minnesota Statutes, section 124D.69;
   E. school sites specifically designed to address limited English proficiency;
   F. school sites specifically designed to address the needs of students with an individualized education program (IEP); and
   G. secure and nonsecure treatment facilities licensed by the Department of Human Services or the Department of Corrections.